

Congressional Record.

PROCEEDINGS AND DEBATES OF THE SIXTY-EIGHTH CONGRESS FIRST SESSION. 028386

SENATE.

TUESDAY, February 26, 1924.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, though the clouds may hang about our earth this morning, we rejoice in the fact that Thou art shining always upon us and even through a frowning providence Thou dost have a smiling face. May we see light always in Thy light and interpret duty as Thou dost indicate it to us by Thy providence in the varying conditions of life that present themselves. Be with us this morning, we beseech of Thee, and help us each to realize the blessedness of that state described in Thy Word, where a man shall be as a hiding place from the wind, and a covert from the tempest; as rivers of water in a dry place, as the shadow of a great rock in a weary land. We ask in Jesus' name. Amen.

The reading clerk proceeded to read the Journal of the proceedings of the legislative day of Friday, February 22, 1924, when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

REMOVAL OF SHIPPING BOARD OFFICES FROM WASHINGTON.

The PRESIDENT pro tempore laid before the Senate the following communication from the chairman of the United States Shipping Board, which was read, and ordered to lie on the table, as follows:

UNITED STATES SHIPPING BOARD,
Washington, February 25, 1924.
(File 51426.)

The PRESIDENT OF THE SENATE,

Washington, D. C.

SIR: Referring to Senate Resolution No. 155, which was transmitted by the Secretary of the Senate, I have the honor to advise you that the United States Shipping Board has no plans to move the offices of the United States Shipping Board Emergency Fleet Corporation from Washington to the city of New York, nor is the matter being considered.

The president of the Fleet Corporation also advises that that corporation has no such intention.

Respectfully,

T. V. O'CONNOR, Chairman.

INCREASE IN FREIGHT RATES.

Mr. JONES of Washington. Mr. President, I have a letter from one of my constituents in the nature of a petition that I think is worthy of the RECORD. It deals especially with the freight-rate situation and the proposition that freight rates should be so regulated that the products which can best stand the higher freight rates shall be required to pay them. I want to call attention to one statement in the letter, as follows:

Whenever we ask the Interstate Commerce Commission for any reduction in rates they promptly advise us that they are required by the transportation act to make and maintain sufficient rates to produce an average earning of 5½ per cent on all railroads. Whenever we ask the railroads for any consideration regarding rates they promptly advise us that the Interstate Commerce Commission will not sanction any reduction in rates and that rates must "go up" rather than down, until the required earning is secured for all railroads.

I called that statement to the attention of the Interstate Commerce Commission and I have their reply. I ask that their reply, together with the letter from my constituent, may be printed in the RECORD and referred to the Committee on Interstate Commerce. I hope that that committee, or at least the chairman of it, will note the letter from my constituent and the letter from the Interstate Commerce Commission.

There being no objection, the letters were referred to the Committee on Interstate Commerce and ordered to be printed in the RECORD, as follows:

YAKIMA, WASH., February 11, 1924.

HON. W. L. JONES,

United States Senate, Washington, D. C.

MY DEAR SENATOR: I have been making quite a study of the freight-rate problem on our apples. I am fully convinced that a lower rate is necessary, not only for the continuance of the apple business, but for the continuance of freight revenues for the railroads themselves. A good many hundred acres of orchards are being pulled out this year, and a very large number of growers who had some of the older varieties, or considerable Jonathan acreage, are compelled to give up their orchards and abandon them to the mortgage companies.

Whenever we ask the Interstate Commerce Commission for any reduction in rates they promptly advise us that they are required by the transportation act to make and maintain sufficient rates to produce an average earning of 5½ per cent on all railroads. Whenever we ask the railroads for any consideration regarding rates they promptly advise that the Interstate Commerce Commission will not sanction any reduction in rates and that rates must "go up" rather than down until the required earning is secured for all railroads.

Attached please find copy of letter I received from the Interstate Commerce Commission bureau of statistics. You will note from this letter that the Northern Pacific and Great Northern both declared dividends of 7 per cent in 1921 and 5 per cent and 5½ per cent, respectively, in 1922, and had a good many million dollars surplus net income. The Union Pacific declared dividends of 14 per cent in 1921-22, and had from \$8,000,000 to \$10,000,000 net income in addition.

According to the Wall Street Journal of January 12, 1924, the Union Pacific showed a much better profit, namely, 15 per cent net earnings on its stock in 1923 as compared to 12½ per cent in 1922. The fruit railroads out of California in 1923 showed 12 per cent net earnings for the Southern Pacific and 14 per cent for the Santa Fe.

The reports to the Interstate Commerce Commission made by the Great Northern show the net operating income for the first 10 months of 1923 was \$18,569,505, which was more than all of 1922. Their report to the Interstate Commerce Commission also shows that their net operating income for October alone was \$5,294,338, being the largest net operating income for any month in the history of the Great Northern. The net operating income for the Northern Pacific for October was \$3,342,542, or 55 per cent over the same month in 1922.

One of the Northern Pacific officials advised me that the Yakima Valley was the only thing that saved them from a loss this year.

Please note also from the Interstate Commerce Commission letter that the Milwaukee had about \$11,000,000 deficit in 1921 and about \$6,000,000 deficit in 1922. They have done better in 1923, but is it not plain that it is unfair for the apple growers of Washington (who are paying over \$20,000,000 freight this year) to be charged the present tremendous high freight rates in order to offset the loss of the Milwaukee and other similar railroads, which never should have been built? If the fruit growers were making money, it might be all right to levy rates on them to make up for the monumental blunder of building the Milwaukee, but the apple growers are simply up against it, and absolutely can not afford to pay the present rates. Just how it is going to help the railroads to have thousands of acres of orchards pulled up, and hundreds of families ruined, is beyond my comprehension. It seems to me the transportation act compels the Interstate Commerce Commission and the railroads to use inflexible and unjust rules.

Suppose we admit that the railroads need the present revenue. Why should not the freight rates be levied on the commodities that can afford to pay them? In other words, why compel the railroads to charge more than the traffic will bear on our apples, when such policy can have but one effect, the destruction of their present revenues.

In this connection, permit me to call your attention to the injustice of the flat horizontal increase in freight rates. When we planted our orchards the rate was 50 cents per box, without heater charge; now it is 75 cents per box, plus a heater charge of about 5 cents, or 60 per cent increase.

The Joint Commission of Agricultural Inquiry made a very exhaustive study of freight rates in 1921. They took 2,022 cars of barreled apples, with an average haul of 400 miles, and found that the producer of the apples received 80 cents out of every dollar of their wholesale price, while the railroads received 11.65 cents out of every dollar for refrigeration and all other charges. In the case of boxed apples, the commission made a study of 1,466 carloads, with an average haul of 2,800 miles and found that the shipper received 54.65 cents out of every dollar, and the railroads received 35.17 cents out of every dollar. You can see by comparing these figures, that a 50 per cent flat increase or decrease in freight rates would not make very much difference to the barreled-apple shipper, while a 50 per cent increase or decrease in freight rates on boxed apples would make about 20 per cent difference. Apples were a good price in 1921; this year, with lower prices, the railroads get a much larger per cent, intensifying the injustice of the horizontal increase.

I have just returned from a hearing before the fact-finding commission at Salt Lake City. I made a statement for the record there, putting in a great many figures which I think show that the ruin of reclamation in the West is being caused by this flat horizontal increase in freight rates, with great injustice to the long haul. The condition on many of the projects is pitiable, much worse than ours. Their banks have been greatly impaired and credit facilities are in many cases a thing of the past. In my opinion, the high freight rates in Montana and the Dakotas are part of the cause for the terrible times in those States. Before the fact-finding commission, I appealed to the commission to ask the railroads for relief, and ask the Interstate Commerce Commission for a change in their inflexible rules, permitting the railroads of the West to reduce their rates so they would not be more than the traffic will bear. I feel the railroads are really the partners of the fruit growers and farmers of the West in developing this country, and that the policy of the Interstate Commerce Commission apparently required by the transportation act is ruining the West, while the East and the sections with the short haul have an increase (which really does not affect them greatly) and are having wonderfully prosperous times. The farmers of our valley and the people of the West have borrowed about to the limit of their credit, thinking times would change. I sincerely hope they will, but having paid \$300 per acre freight, or about \$100,000 on my orchards this year, you can see it is possibly plainer to me than to others where my profit and the profit of the people of the West goes.

I dislike to write you so long a letter, but I really feel the situation is almost desperate to the section you represent.

Very respectfully yours,

H. M. GILBERT.

INTERSTATE COMMERCE COMMISSION,
BUREAU OF STATISTICS,
Washington, D. C., February 4, 1924.

Mr. H. M. GILBERT,
Richey & Gilbert Co., Yakima, Wash.

DEAR SIR: We have received your letter of January 24 to the secretary of the commission, with respect to the gross and net earnings of a number of roads named therein. We give below a statement which we think will answer your purposes:

Gross and net earnings of certain railroads.

Road and item.	1921	1922
Southern Pacific Co.:		
Net railway operating income.....	\$33,686,500.90	\$40,459,532.34
Net income.....	27,526,526.98	24,907,729.72
Dividend declared.....	26,639,195.82	20,662,854.32
Rate of dividend..... per cent..	6	6
Northern Pacific Ry. Co.:		
Net railway operating income.....	10,843,826.17	19,430,514.47
Net income.....	22,063,399.17	15,056,929.80
Dividend declared.....	17,360,000.00	12,400,000.00
Rate of dividend..... per cent..	7	5
Great Northern Ry. Co.:		
Net railway operating income.....	12,866,410.94	17,276,597.84
Net income.....	28,469,925.78	10,865,672.19
Dividend declared.....	17,462,973.50	13,097,264.25
Rate of dividend..... per cent..	7	51
Union Pacific R. R. Co.:		
Net railway operating income.....	28,351,900.67	26,621,319.14
Net income.....	34,307,524.50	36,587,339.71
Dividend declared.....	26,210,900.00	26,210,900.00
Rate of dividend..... per cent..	14	14
Chicago, Milwaukee & St. Paul Ry.:		
Net railway operating income.....	5,117,329.40	13,284,244.57
Net income.....	10,962,616.70	5,999,707.07
Dividend declared.....	None.	None.
Rate of dividend.....	None.	None.

Very truly yours,

M. O. LORENZ, Director.

INTERSTATE COMMERCE COMMISSION,
OFFICE OF THE SECRETARY,
Washington, February 21, 1924.

Hon. WESLEY L. JONES,
United States Senate, Washington, D. C.

MY DEAR SIR: I have your letter of February 19, 1924, concerning the level of freight rates in connection with the requirements of the transportation act, 1920.

As you know, that portion of the above-cited act to which you refer has been incorporated in the interstate commerce act in section 15 (a). For your ready reference the following is quoted from the provisions of that section:

"(2) In the exercise of its power to prescribe just and reasonable rates the commission shall initiate, modify, establish, or adjust such rates so that carriers as a whole (or as a whole in each of such rate groups or territories as the commission may from time to time designate) will, under honest, efficient, and economical management and reasonable expenditures for maintenance of way, structures, and equipment earn an aggregate annual net railway operating income equal, as nearly as may be, to a fair return upon the aggregate value of the railway property of such carriers held for and used in the service of transportation: *Provided*, That the commission shall have reasonable latitude to modify or adjust any particular rate which it may find to be unjust or unreasonable, and to prescribe different rates for different sections of the country.

"(3) The commission shall from time to time determine and make public what percentage of such aggregate property value constitutes a fair return thereon, and such percentage shall be uniform for all rate groups or territories which may be designated by the commission. In making such determination it shall give due consideration, among other things, to the transportation needs of the country and the necessity (under honest, efficient, and economical management of existing transportation facilities) of enlarging such facilities in order to provide the people of the United States with adequate transportation."

In its report under Docket 13293, Reduced rates, 1922, the commission found that on and after March 1, 1922, a fair return as contemplated by the above provision would be 5.75 per cent of the aggregate property value as a uniform percentage for all rate groups or territories designated by this commission.

The above considerations are general in their character and do not in any manner preclude individual rate adjustments involving both increases and decreases. As you know, reports are constantly being issued by the commission providing for reductions in rates where such action has been found warranted under the existing circumstances. Moreover, tariffs and supplements are being received from the different carriers which bring about various advances and reductions in individual rate items through voluntary action on their part.

I believe the above considerations will remove any misunderstanding under which your constituent may be laboring; if not, however, I would be pleased to advise further in the premises.

Respectfully,

G. B. MCGINTY, Secretary.

PETITIONS AND MEMORIALS.

Mr. ROBINSON presented resolutions adopted by the Rotary Club of the Hot Springs National Park and the board of governors of the chamber of commerce of Fayetteville, both in the State of Arkansas, favoring the continuance of the transportation act of 1920, which were referred to the Committee on Interstate Commerce.

He also presented a letter in the nature of a memorial from A. N. Johnson, proprietor of the Tuckerman Record, of Tuckerman, Ark., remonstrating against the practice of the Government in selling printed envelopes, which was referred to the Committee on Printing.

He also presented a letter in the nature of a petition from Ben B. Weil, of Pine Bluff, Ark., praying for relief of the shortage of labor on farms in the South, due to stringent immigration laws, which was referred to the Committee on Immigration.

He also presented a resolution adopted by Local No. 266, National Federation of Federal Employees, of Dallas, Tex., requesting Congress to give careful consideration to the reclassification of the field service as provided for in the Sterling-Lehlbach Classification Act of 1923, which was referred to the Committee on Civil Service.

Mr. PEPPER presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of House bill 5635, to provide for a deep waterway for ocean-going vessels from the Great Lakes to the Atlantic Ocean by way of the St. Lawrence River and the Welland Canal, which was referred to the Committee on Commerce.

Mr. BURSUM. Mr. President, I have a petition sent to me from New Mexico, which reads as follows:

We, the undersigned citizens of the United States of America and residents of New Mexico, having noticed the unjust fight being waged against the soldiers' adjusted compensation bill now pending before Congress by selfish interests, who are trying to make Congress believe that the majority of the people are against said bill, do hereby, in mass meeting assembled, petition and urge you as our representatives to stand and vote for the said compensation bill, that the majority of the people in this State, as far as we know, are in favor of that measure. Thanking you in advance, we are,

Yours truly,

The petition is not signed by veterans or by ex-service men, but is signed by citizens generally as a result of a mass meeting in that portion of the State. I agree with the declaration that the majority of our people are in favor of the passage of the adjusted compensation bill. Our people feel and believe that the delay has already been longer than is justifiable under the circumstances. I agree with them that we ought to have action. Something should be done. A settlement is due, a settlement is demanded, and a settlement ought to be accorded.

The PRESIDENT pro tempore. The petition will be referred to the Committee on Finance.

Mr. CAMERON. I present a letter from Governor Hunt, of Arizona, together with a communication from Cactus Chapter, No. 2, Disabled American Veterans of the World War, relative to certain sections of the report of the committee investigating the Veterans' Bureau, which I ask may be printed in the Record and referred to the Committee on Finance.

There being no objection, the letters were referred to the Committee on Finance and ordered to be printed in the Record, as follows:

EXECUTIVE OFFICE, STATE HOUSE,
Phoenix, Ariz., February 19, 1924.

Hon. RALPH CAMERON,
Washington, D. C.

MY DEAR SENATOR: My attention has been called to paragraph 10 of the report of the committee appointed by Congress to investigate the Veterans' Bureau.

The Disabled Veterans of the World War, as well as ex-service men generally, are very much exercised over this section. They feel humiliated and insulted by it. Some of them have called upon me to discuss the matter. In addition I have received a communication from the Disabled American Veterans of the World War, Phoenix Chapter, No. 1, setting forth their views. The disabled men in the hospitals at Prescott and Tucson are very much disturbed.

The disgraceful, inefficient, and fraudulent administration of the United States Veterans' Bureau has been bad enough, and the handling of this problem so utterly reprehensible that it is doubtful if the injustices perpetrated can ever be rectified.

As I understand the law, the disabled veterans have been voted compensation, not a charity dole, and when Congress adopted the law providing for compensation it had no intention of setting up a bureaucratic governing institution to expend the money of the disabled veterans. The money, as I understand it, is the property of the veterans and is under their control as regards its expenditure, the same as any other personal property they may possess. That general condition is, of course, modified in the case of insane or mentally defective victims of the war.

The proposal to further restrict the compensation paid veterans indicates the menace of bureaucracy, which is developing so rapidly in this country. It appears to me that these men who have given their health to their country in its time of trial should not be harassed and humiliated further by the bungling management of governmental clerks. In justice to Maj. Gen. Frank T. Hines, I believe that he has done excellent work in straightening out the chaos created by his predecessor.

I trust that Congress will not place any further hardship in the way of disabled veterans who are struggling back toward health, and that they will not be treated in such a manner as will lower their self-respect. From data submitted to me by disabled men it appears that there is ample legislation and regulation now in effect to enforce discipline for hospitalized disabled men.

I call these matters to your attention in order that you may know the way the disabled men feel about the proposed legislation.

Respectfully yours,

GEO. W. P. HUNT, Governor.

DISABLED AMERICAN VETERANS OF THE WORLD WAR, CACTUS CHAPTER, NO. 2.
Resolution.

TUCSON, ARIZ., February 15, 1924.

DEAR SIR: At a regular meeting of Cactus Chapter, No. 3, Disabled American Veterans of the World War, held on the 15th instant, the

undersigned committee was appointed and empowered to prepare and present to you on behalf of the disabled ex-service men in this community our protest against the enactment into law of sections 7, 10, 13, 18, and that portion of section 14 which seeks to take away automatic reinstatement of insurance, of the recommendations of the special committee of the United States Senate appointed to investigate the affairs of the United States Veterans' Bureau.

Section 7, basing compensation on the veteran's previous occupation, would cause untold confusion in ratings and would result in a great deal of injustice. Of two veterans suffering from exactly the same injury or disease, one might be rated as totally disabled and the other as having no disability whatsoever, depending upon what their previous occupations were. A carpenter would be totally disabled if he had suffered the loss of both legs, yet under this recommendation a book-keeper who had lost both legs would not be entitled to such a rating because he possibly could still keep a set of books. We believe that compensation should be based solely on the physical condition of the veteran and nothing else.

Section 10 of said report recommends the arbitrary withholding of compulsory allotment of not more than three-fourths of a disabled veteran's compensation. Such high-handed and autocratic procedure on the part of any governmental agency is without precedent in the annals of American history. So far as we have been able to ascertain no previous attempt has ever been made in this country to create wards of the Government by declaring free-born white male citizens of the United States above the age of 21 years to be incapable of administering their own private affairs. The men who were disabled in the honorable service of this country are not children, nor are they imbeciles, idiots, or lunatics. We resent any imputation or insinuation that we are any less capable of handling our own individual financial affairs than the millions of other young American citizens who did not go to war. A large number of disabled veterans in hospitals have made investments in real estate and other kinds of property. To arbitrarily withhold full payment of compensation from these men would, in effect, result in a virtual confiscation of the property they have acquired in cases where the same has not been fully paid for.

Shall a veteran be penalized for entering a hospital and making every effort to regain his health in order that he may once more assume all the duties and privileges of the average American citizen? It would seem so, for the recommendation is that this wholesale guardianship be applied only to men in the hospitals.

The enactment of such a law would in effect deprive the men in hospitals of their full rights of citizenship comparatively the same as common criminals. The average American citizen has the absolute right to conduct and manage his private business affairs according to the dictates of his own brain without any interference or dictation from any individual or Government official. Are the disabled men in hospitals to be deprived of their full rights of American citizenship? Certainly they committed no crime by serving the United States in time of war and they should not forfeit any of their rights of citizenship because they were disabled in the service of their country. Is the Government to adopt the paternal attitude of the father who promises to give his son \$500 if he will not smoke cigarettes before he is 21 years old, and say to the disabled veterans we are going to pay you \$80 per month compensation, but we are going to hold out \$60 of that amount which we will pay you when you leave the hospital provided you do not die before you leave the hospital?

Section 13 provides that retroactive awards of compensation shall be more strictly limited. An award of compensation is based on the extent of the claimant's disability at the time of his examination on his application for compensation. The Veterans' Bureau has been known to take as long as two years to adjust a claim for compensation. Surely a man is entitled to compensation from the time he became disabled, if at all, and not simply from the time his claim is finally adjusted by the bureau.

Section 18 would deny vocational training to thousands of veterans who have been sick for a number of years. Some of them may ultimately improve sufficiently to become feasible for training. With no provisions for permanent compensation in sufficient amounts for these veterans we must strongly protest the enactment into law of this section. This section provides that training must be begun on or before June 30, 1924, and vocational training is limited to those disabled veterans who made application therefor on or before June 30, 1923. Is the man who only recently became disabled from an injury received in service to be discriminated against in such unjust manner? Is he not entitled to as much consideration and the same fair treatment as was accorded the man whose disability became apparent on the day he was injured or shortly thereafter?

We do not doubt that the people of the United States want to see the disabled veterans of the late war receive fair and just treatment at the hands of the Government they served and we do not believe the people of this country would countenance for one moment the passage of laws putting into effect the above recommendations of the special Senate committee composed of Senators ODDIE of Nevada, REED of

Pennsylvania, and WALSH of Massachusetts. We therefore earnestly and sincerely urge that you use your best efforts to oppose and prevent the enactment of any laws putting these recommendations into effect.

Respectfully submitted.

CACTUS CHAPTER, No. 2, D. A. V. W. W.,
By CLAUDE SMITH,

A. E. LARSEN,
P. M. BROWN,
THOS. JOHNSON,
G. F. STONER,
C. R. SOLLERS,

Committee.

Mr. SHIPSTEAD presented a resolution adopted by the Christopher Columbus Society, of Minneapolis, Minn., protesting against the passage of the so-called Johnson selective immigration bill, as being discriminatory, which was referred to the Committee on Immigration.

Mr. SHIPSTEAD. Mr. President, by request I present a letter from N. W. Upham, of St. Paul, Minn., transmitting a large number of petitions relative to the so-called Mellon tax plan. I ask that the letter, together with the body of one of the petitions may be printed in the RECORD, and all of the petitions, with the letter of transmittal, referred to the Committee on Finance.

There being on objection, the letter and petitions were referred to the Committee on Finance, and the letter, with the body of one of the petitions, was ordered to be printed in the RECORD, as follows:

THE CAPITAL NATIONAL BANK OF ST. PAUL,
St. Paul, Minn., February 9, 1924.

Senator HENRIK SHIPSTEAD,

United States Senate, Washington, D. C.

HONORABLE SIR: I have the honor to send you under separate cover a number of petitions requesting the adoption by Congress of a tax-reduction plan substantially along the lines recommended by the Hon. Andrew W. Mellon, Secretary of the Treasury of the United States. These petitions have been sent to us from all over the country, a vast majority being from St. Paul and Minneapolis and the Northwest States. Their distribution is as follows:

St. Paul (including Minneapolis)	473
Minnesota	63
North Dakota	35
Wisconsin	30
Iowa	30
Montana	25
Nebraska	19
South Dakota	9
Michigan	9
Kansas	4
Wyoming	4
California	3
Utah	3
Illinois	2
Colorado	2
Oregon	1
Arkansas	1
Missouri	1
Washington	1
Ohio	1
Total	718
	45
	761

I sincerely trust that this expression of opinion, relative to tax reduction, will meet with your consideration.

Respectfully,

N. W. UPHAM.

To the Congress of the United States:

I respectfully urge and request Congress to take an aggressive and persistent stand for lower Federal taxes and to support a tax-reduction plan substantially along the lines recommended in letter dated November 10, 1923, from the Hon. Andrew W. Mellon, Secretary of the Treasury of the United States, to the Hon. WILLIAM R. GREEN, acting chairman, Committee on Ways and Means of the House of Representatives, and to refrain from voting in favor of any legislation which will interfere with the carrying out of such tax-reduction program.

REPORTS OF COMMITTEES.

Mr. KEYES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably without amendment Senate Resolution 162, authorizing the Committee on Territories and Insular Possessions during the Sixty-eighth Congress to hold hearings and employ a stenographer. The resolution is in the usual form, and I ask unanimous consent for its immediate consideration.

Mr. MOSES. I object.

Mr. KING. Let the resolution be reported.

The PRESIDENT pro tempore. The resolution will be read for the information of the Senate.

The resolution (S. Res. 162) submitted by Mr. WILLIS on the 16th instant, was read as follows:

Resolved, That the Committee on Territories and Insular Possessions, or any subcommittee thereof, be, and hereby is, authorized during the Sixty-eighth Congress to send for persons, books, and papers, to administer oaths, and to employ a stenographer at a cost not exceeding 25 cents per hundred words to report such hearings as may be had in connection with any subject which may be before said committee, the expenses thereof to be paid out of the contingent fund of the Senate, and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

The PRESIDENT pro tempore. The junior Senator from New Hampshire asks unanimous consent for the immediate consideration of the resolution. Is there objection?

Mr. MOSES. I object.

The PRESIDENT pro tempore. Objection is made, and the resolution will go to the calendar.

Mr. KEYES. From the Committee to Audit and Control the Contingent Expenses of the Senate I report back favorably Senate Resolution 158, submitted by the Senator from Delaware [Mr. BALL] on the 13th instant, directing the Committee on the District of Columbia to investigate and have a survey made of housing and rental conditions in the District of Columbia.

Mr. BALL. I ask unanimous consent for the immediate consideration of the resolution.

Mr. MOSES. I object.

The PRESIDENT pro tempore. Objection is made, and the resolution will go to the calendar.

Mr. KEYES. From the same committee I report back favorably Senate Resolution 157, submitted by the Senator from Montana [Mr. WHEELER] on the 13th instant, directing a committee to investigate the failure of the Attorney General to prosecute or defend certain criminal and civil actions wherein the Government is interested.

Mr. ROBINSON. I ask unanimous consent for the immediate consideration of the resolution.

Mr. MOSES. I object.

The PRESIDENT pro tempore. The resolution will go to the calendar.

REPORTS OF THE COMMITTEE ON NAVAL AFFAIRS.

Mr. HALE, from the Committee on Naval Affairs, to which were referred the following bills, reported them each without amendment and submitted reports thereon:

A bill (S. 264) for the relief of Charles H. Willey (Rept. No. 173); and

A bill (S. 1013) for the relief of Gordon G. MacDonald (Rept. No. 174).

APPROPRIATIONS FOR TREASURY AND POST OFFICE DEPARTMENTS.

Mr. WARREN. From the Committee on Appropriations I report back favorably with amendments the bill (H. R. 6349) making appropriations for the Treasury and Post Office Departments for the fiscal year ending June 30, 1925, and for other purposes, and I submit a report (No. 172) thereon. I give notice that I shall ask for the consideration of the bill probably Thursday morning.

The PRESIDENT pro tempore. The bill will be placed on the calendar.

MEMORIAL ADDRESS ON THE LATE PRESIDENT HARDING.

Mr. WILLIS. Mr. President, I desire to make a very brief statement touching the program for to-morrow. I remind Senators that on January 24 the Senate agreed to the House concurrent resolution providing for a joint meeting of the House and Senate on Wednesday, February 27, for the services in memory of the late President Warren G. Harding. There was sent to Senators in their mail this morning a notice and the official program. If they do not have it before them, they will find it printed in the RECORD at page 2808. The concurrent resolution provides that the two Houses shall meet in joint session at 12 o'clock noon. I am simply calling attention to the matter that Senators may have it in mind and so that when the Senate concludes its business for the day it may recess or adjourn until perhaps 11.45 to-morrow.

Mr. LODGE. Mr. President, in view of the statement just made by the Senator from Ohio as chairman on the part of the Senate of the Committee on Memorial Services in honor of President Harding, I ask unanimous consent that to-day when the Senate adjourns or takes a recess, as the case may be, it be to meet at 11.45 to-morrow morning.

The PRESIDENT pro tempore. The Senator from Massachusetts asks unanimous consent that when the Senate concludes its business to-day it shall adjourn or take a recess, as the case may be, until 11.45 to-morrow morning. Is there objection to the request? The Chair hears none, and it is so ordered.

BILLS AND JOINT RESOLUTION INTRODUCED.

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. SHEPPARD:

A bill (S. 2625) to detach Jim Hogg County from the Corpus Christi division of the southern judicial district of the State of Texas, and attach the same to the Laredo division of the southern judicial district of said State; to the Committee on the Judiciary.

A bill (S. 2626) to amend an act entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1924, and for other purposes"; to the Committee on Military Affairs.

By Mr. LENROOT:

A bill (S. 2627) granting a pension to Edward D. Hassett; to the Committee on Pensions.

A bill (S. 2628) providing for a preliminary survey of the Wolf River in Wisconsin to ascertain some method to control floods; to the Committee on Commerce.

A bill (S. 2629) for the relief of Frank Murray; and

A bill (S. 2630) for the relief of F. M. Gray, Jr., Co.; to the Committee on Claims.

By Mr. ROBINSON:

A bill (S. 2631) to increase the cost of public building at Russellville, Ark.; to the Committee on Public Buildings and Grounds.

By Mr. WARREN:

A bill (S. 2632) for the relief of Henry Wagner (with accompanying papers); to the Committee on Military Affairs.

By Mr. MOSES:

A bill (S. 2633) granting a pension to Mary L. Simmons (with accompanying papers); to the Committee on Pensions.

By Mr. HALE:

A bill (S. 2634) authorizing the Secretary of War to convey to the State of Maine certain land in Kittery, Me., formerly a part of the abandoned military reservation of Fort McClary (with accompanying papers); to the Committee on Military Affairs.

By Mr. PEPPER:

A bill (S. 2635) for the relief of Jabez Burchard; to the Committee on Naval Affairs.

By Mr. NORRIS:

A bill (S. 2636) granting a pension to Pearl Brown; to the Committee on Pensions.

By Mr. REED of Pennsylvania:

A bill (S. 2637) granting permission to Lieut. Col. Charles G. Mortimer, United States Army, to accept decoration of officer of the French Legion of Honor; to the Committee on Military Affairs.

By Mr. SPENCER:

A bill (S. 2639) granting a pension to Daniel Burkhart (with accompanying papers); to the Committee on Pensions.

A bill (S. 2640) for the purchase of a rifle range at Liberty, Mo.; to the Committee on Military Affairs.

A bill (S. 2641) to establish the department of public welfare and to determine its functions, and for other purposes; to the Committee on the District of Columbia.

By Mr. LODGE:

A bill (S. 2642) to renew and extend certain letters patent; to the Committee on Patents.

By Mr. NEELY:

A bill (S. 2643) granting a pension to George W. Johnson; and

A bill (S. 2644) granting a pension to Clarence G. Stone-street; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 2645) to amend the organic act of the Philippine Islands, approved August 29, 1916; to the Committee on Territories and Insular Possessions.

By Mr. PEPPER:

A joint resolution (S. J. Res. 87) authorizing the erection of a flagstaff at Fort Sumter, and for other purposes; to the Committee on the Library.

DISQUALIFICATION FROM SERVICE ON QUASI JUDICIAL COMMISSIONS.

Mr. ROBINSON. Mr. President, I desire to introduce a bill for reference to the Committee on the Judiciary, and I request consent to make a very brief statement concerning it.

Some days ago I submitted a resolution expressing the sense of the Senate that members of the Tariff Commission should not participate in hearings and in decisions by that commission in cases where the members of their immediate families appeared to have a pecuniary interest in the result. I am now introducing a bill to provide for disqualification under specified conditions of members not only of the Tariff Commission but of the Federal Trade Commission and the Interstate Commerce Commission. It seems necessary that the rule of disqualification for members of quasi judicial tribunals shall be definitely established by statute.

The bill provides that when any members of the commissions designated—namely, the Tariff Commission, the Interstate Commerce Commission, and the Federal Trade Commission—are interested in any special or private way in proceedings before the respective bodies, or whenever they have been of counsel for any person having a direct and pecuniary interest in proceedings before them, or where they have appeared as a material witness or acted as attorney or legislative agent or representative in respect to the subject matter of such proceeding or investigation, or whenever such members shall be within four degrees related to or connected with persons who have a private and pecuniary interest, such members shall be deemed to be disqualified to take part in the hearings and decisions of the commission and shall be required to note their disqualification upon the record.

The second section of the bill establishes a process by which parties interested in proceedings or investigations before such commissions may test out and have determined by the commission itself the alleged disqualification of members of such commission.

The measure also provides in section 3 that the commission itself shall finally determine questions of disqualification of any member and denies the member a question as to whose disqualification is raised the privilege of voting on the issue.

Section 4 makes clear the intention not to disqualify members of said commission from participating in proceedings before the respective bodies of which they are members merely because they shall have been interested in or connected with general agricultural, manufacturing, transportation, or other business or with any labor organization, but such disqualification must be based on a special or private interest.

I believe, Mr. President, there is necessity and demand for legislation upon this subject. That is disclosed by the proceedings which prompted the introduction of the resolution to which I have already referred and which I hope may be acted upon by the Senate as soon as other business in this body permits. The bill is not intended to supersede the resolution and is broader and more effective and more specific, in that its provisions apply to the Interstate Commerce Commission and the Federal Trade Commission, as well as the Tariff Commission, and in that it defines as a rule of law the circumstances and conditions under which members of these quasi judicial tribunals shall not be permitted to participate in the proceedings before their respective bodies.

I ask that the bill may be referred to the Committee on the Judiciary, and I request that it be considered by that committee at an early day.

The bill (S. 2638) to provide for the disqualification, under specified conditions, of any member of the Interstate Commerce Commission, the Federal Trade Commission, or United States Tariff Commission to participate in certain proceedings or investigations, and for other purposes, was read twice by its title and referred to the Committee on the Judiciary.

PENSION LEGISLATION.

Mr. DIAL. Mr. President, I hardly ever see much that the Republican Party does for which it should be praised, but it was my pleasure yesterday afternoon to read in the Washington Evening Star that the President of the United States had put the brakes on as to increases of pensions. I was delighted to read his conclusion, and I hope it will be followed by Congress.

My recollection is, Mr. President, that in 1879 a pension bill was passed by Congress appropriating \$37,000,000 for Civil War pensions. About a quarter of a million pensioners drew their quota as a result of that legislation. About 1901 the number of pensioners had increased to about 1,000,000. The amount of money appropriated at that time for the payment of such pensions was \$157,000,000. About 1920 the number of pensioners had decreased back to about a quarter of a million, but the sum of money then appropriated for the payment of the pensions was in the neighborhood of \$258,000,000. Subsequently additional pensions have been granted in larger

amounts. Since I have been a Member of this body I believe that two such increases have been made.

Last year an attempt was made to increase the pensions of pensioners of the Civil War by about \$108,000,000. Some of the Members of the Senate opposed it, but there were very few who did so. However, President Harding saw the injustice of the proposed increase and he vetoed the bill and sent it back to Congress. I complimented President Harding on the floor of the Senate for the action he then took. The bill was then re-drawn, carrying an appropriation of something like \$65,000,000, and we had a hard time here to defeat it by preventing it from coming up. I fought the bill in season and out of season, and I am gratified that it did not come up and, of course, did not pass.

At that time there were a couple of other pension bills pending, one being an omnibus pension bill, which I aided in defeating, and another a bill to pension Civil War telegraph posthole diggers. The proponents of that bill were so anxious to raid the Treasury that they introduced a bill proposing to pension the telegraph posthole diggers. The idea of robbing the Treasury by trying to pay people who dug postholes during the Civil War, perhaps a thousand miles from a bullet, shows to what extent those who wish to raid the Treasury will go. I filibustered against that bill, and am glad that it did not come up. I do not think anyone will ever have the temerity again to introduce such a bill.

Mr. President, I notice that there is now pending in the Senate Senate bill No. 5, which, I believe, has been favorably reported by the Committee on Pensions. That bill proposes to increase by \$55,000,000 the appropriations which are already being provided for pensions. It was to that bill, I understand, the President had reference on yesterday. I hope that Senators and Members of the other House will not consider laying further burdens upon the taxpayers of this country.

I sympathize with veterans who have become disabled, but there are old soldiers' homes now to take care of the Civil War veterans, and those veterans are already drawing pensions of around \$50 a month, and perhaps some are drawing even larger pensions.

Mr. President, I ask to have inserted in the RECORD, as a part of my remarks, the letter of the Secretary of the Interior, Doctor Work, in response to an inquiry in reference to the pending pension bill to which I have referred.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF THE INTERIOR,
Washington, January 31, 1924.

Hon. H. O. BURSUM,

Chairman Committee on Pensions, United States Senate.

MY DEAR SENATOR: Responding to your request dated January 16, 1924, for information relative to Senate bill 5, I have to advise you as follows:

(a) The number of Civil War soldiers on the roll of pensioners December 31, 1923, was 158,851.

(b) The number of Civil War soldiers on the roll December 31, 1923, at a rate exceeding \$72 per month was 140; the number pensioned at \$72 per month was 41,278, 40,811 of whom were pensioned under section 2 of the act of May 1, 1920.

(c) The number of applications filed under section 2, act of May 1, 1920, between July 1, 1923, and December 31, 1923, was 9,480—an average of 1,580 per month.

(d) The number of claims under section 2, act of May 1, 1920, allowed between July 1, 1923, and December 31, 1923, was 8,532—an average of 1,422 per month.

(e) The number of claims under section 2, act of May 1, 1920, pending December 31, 1923, was 5,244.

(f) The number of deaths of Civil War soldiers, per month, since July 1, 1923, was:

July	1,714
August	1,487
September	1,487
October	1,554
November	1,711
December	1,770
Total	9,708

The monthly value of the pension represented by those thus dropped from the roll on account of death was \$580,971.

Attention is invited to the fact that the months of January, February, March, and April usually show a much higher death rate among Civil War soldiers. It is quite probable that during the 12 months of the present fiscal year approximately 26,000 of this class will be dropped from the roll on account of death.

(g) The additional cost which would be entailed should section 1 of this bill (S. 5) be enacted into law would, for the fiscal year ending June 30, 1925, be approximately \$17,709,000. These figures are the

result of computing the increased annual value of the pensions payable to Civil War soldiers under this bill and deducting losses due to the death of 26,000 of these soldiers during the next fiscal year.

The number of Mexican War soldiers is so small and their death rate so high that there will likely be a slight decrease in the cost of paying pensions to them whether the bill becomes a law or not.

(h) The number of Civil War soldiers and Mexican War soldiers that would receive benefit by the enactment in excess of probable allowances under section 2, act of May 1, 1920, is, approximately, Civil War soldiers, 110,000; Mexican War soldiers, 15. This estimate is based upon the assumption that about 15 per cent of these two classes of pensioners will be allowed pension at \$72 per month by June 30, 1924.

(i) The number of Civil War widows on the roll December 31, 1923, was 257,320. The number receiving \$40 per month and less than \$50 per month was 320; the number receiving \$50 per month and over was 113. The number of such widows who are 60 years of age and under 74 years of age was 95,279; the number over 74 years of age was 149,998. The number of widows, by class, whose pension will be increased by this bill under suggested amendments (60 to 73 years of age, \$35 per month; 74 and older, \$45 per month) is 90,279 who are from 60 to 73 years of age, and 141,998 who are 74 years of age and older. The number of widows who have died since July 1, 1923, is 9,404; the monthly value of the pension thus terminated is \$282,120; but this is fully offset by the amount payable on original allowances during the same period.

The net additional cost involved by the increase would be, approximately, \$5,416,740 for 90,279 who are 60 to 73 years of age; \$25,559,640 for 141,998 who are 74 years of age and older; total, approximately, \$30,976,380. In this estimate 13,000 remarried widows and 11,723 who are under 60 years of age have been eliminated.

(j) The number of applications filed by Civil War widows, act of May 1, 1920, per month, since July 1, 1923, is 884; total, 5,304.

(k) The average age of Civil War soldiers January 1, 1924, was 80.5 years. The average age of Civil War widows January 1, 1924, was 74.15 years. This statement is based upon the examination of more than 500 typical cases in each class.

(l) The number of Mexican War soldiers on the roll December 31, 1923, was 41; the number benefited by the bill, 20. There would be no additional cost for the reason that the death rate will be so high that the net result will perhaps be a slight decrease.

(m) The number of deaths of Mexican War soldiers since July 1, 1923, was 8.

(n) The number of widows of the War of 1812 on the roll December 31, 1923, was 39; Mexican War widows, 1,549. The number benefited by the bill would be by July 1, 1924, about 1,400. The number of such widows who have died since July 1, 1923, is, War of 1812, 1; Mexican War, 79. The additional cost, making allowance for deaths in 1925, would be approximately \$200,000.

(o) The number of remarried widows now on the roll is 13,000; the number who have died since July 1, 1923, 850. There will be none benefited by the bill; consequently, no additional cost.

(p) The number of minor children, including helpless children, on the roll December 31, 1923, was 15,643; the number dropped since July 1, 1923, 2,844; the monthly value of which was \$11,922. The additional cost involved in section 5 of this bill will be approximately \$450,000.

(q) The number of probable beneficiaries under section 6, the approximate cost, and the average age of probable beneficiaries are very difficult to estimate. Your attention is invited to Report No. 837, accompanying H. R. 211 (67th Cong., 2d sess.), submitted by Mr. LANGLEY from the Committee on Invalid Pensions, in which it is stated that from the best information obtainable it was believed that at that time the number of beneficiaries who are contemplated by section 6 was 9,000. Estimating that since the date of the above-mentioned report, March 27, 1922, 15 per cent of those referred to in section 6 have died, the number remaining would be by June 30, 1924, about 7,500. The ages of such persons would be, presumably, about the same as other Civil War pensioners. The cost of pensioning these persons would hardly be a factor during the fiscal year of 1925, as the nature of these claims and the character of the evidence required to show service, in the absence of record of service in the War Department in most of the classes of persons enumerated, will make prompt adjudication impossible.

(r) The number of Army nurses on the roll December 31, 1923, was 73; the number deceased since July 1, 1923, 8. All who are now on the roll would be entitled to increase at an additional cost of \$11,000.

(s) The number of Indian war soldiers and Indian war widows on the roll December 31, 1923, was, soldiers, 3,469; widows, 2,880. The number who have died since July 1, 1923, is, invalids, 166; widows, 71. Approximately 3,400 soldiers would be entitled to increase to at least \$30, and 2,700 widows would be eligible to \$20 per month. Additional cost, soldiers, \$300,000; widows, \$200,000; total, \$500,000.

(t) The number of Spanish War soldiers on the roll December 31, 1923, was 75,721; the number dropped since July 1, 1923, 733, the monthly value of which was \$15,074. No data has been compiled

upon which to base estimates as to the grades, average age, degree of disability, and other factors which would enter into the question of rate. It is not clear from the wording of the bill whether the rates provided can be automatically allowed. If automatically allowed, the cost for the first year would be approximately \$8,000,000; if dependent on application and proof of degree of inability to earn a support by manual labor, \$5,000,000, the difference in cost being due to the difference in number of claims allowed during the first year. The number of applications for increase filed per month since July 1, 1923, was an average of 1,863; total, 11,180. The total number of allowances for the same period was 4,185.

(u) The number of persons on the roll December 31, 1923, for loss of both arms or both legs, or total disability of the same, or for loss of sight of both eyes, was 174. The death rate of these particular classes is not of record, as they are not segregated from other general law pensioners. It is estimated that the additional cost of increasing all pensioners on the roll on account of the loss of limbs in varying degrees would be \$265,000.

(v) The expenditures for pensions during the fiscal year 1923 aggregated \$263,012,500.18. The amount of the appropriation for the fiscal year 1925 is \$222,500,000. Assuming that this amount will cover obligations under present conditions for 1925 and that the present bill will not become operative before the beginning of the fiscal year 1925, the difference in cost for pensions between the years 1923 and 1925 will be an increase of approximately \$14,448,000 for the year 1925 over the amount expended in 1923. It is estimated that the reduction in the cost of Civil War pensions for the fiscal year 1926 will amount to approximately \$11,000,000.

Attention is especially invited to the fact that in making the foregoing estimates it has been assumed that the proposed legislation would not become effective until about July 1, 1924. This qualification has special reference to the estimates of the probable cost of increasing all Civil War soldiers to \$72 per month and of the provisions for increasing the pension of war with Spain soldiers.

The enactment of this bill in its present form will add to expenditures for pensions for 1925 approximately \$55,000,000.

Very truly yours,

HUBERT WORK.

NAVAL OIL LAND LEASES—PERSONAL EXPLANATION.

Mr. WALSH of Montana. Mr. President, on yesterday morning I was accorded the privilege by the Senate to call the attention of this body to a statement emanating from the Republican National Committee and its news organ, the National Republican, charging that I was responsible for the legislation under which the leases of the naval oil reserves were made. The Senator from Utah [Mr. SMOOT] was decent enough—and I thank him for it—to arise in his place and substantiate the statement which I made to the effect that the leases were not made at all under the provisions of the act of February 25, 1920, the passage of which I advocated in this body. To-day from the same source comes a repetition of the calumny and an aggravation of the statement. It asserts as follows:

Senator WALSH's statement that the naval oil reserves were not leased under the act of February, 1920, which he so earnestly advocated, but under the act of June, 1920, is a quibble for the purpose of misrepresenting the facts. . . . The Federal leasing act under which all public oil reserves are leased, whether naval or otherwise, was enacted in February, 1920. It was amended June 1, 1920, through the medium of a rider on the naval appropriation bill, so as to give the Secretary of the Navy complete control of naval oil reserves. Secretary Daniels wrote the amendment and Senator WALSH supported it when it came before the Senate.

I should like to have the attention of the senior Senator from Utah, if he will be kind enough to give it to me.

Mr. President, the leasing act of February, 1920, did not, as thus asserted, authorize the leasing of "all public oil reserves, whether naval or otherwise." As a matter of fact, the leasing act of February, 1920, did not authorize the leasing of any public reserves, naval or otherwise.

Again, the article says:

It was amended June 1, 1920, through the medium of a rider on the naval appropriation bill, so as to give the Secretary of the Navy complete control of naval oil reserves.

It was not amended by the act of June 4, 1920. The act of June 4, 1920, was not an amendment of the act of February 25, 1920, in any shape, form, or manner. It was in no sense an amendment of the act of February 25, 1920. But, Mr. President, if it were an amendment of the act of February 25, 1920, I am not to be charged with it, unless as a matter of course I supported the amendment. The statement says I did so.

Secretary Daniels wrote the amendment and Senator WALSH supported it when it came before the Senate.

That is not true, as the record itself discloses. I had nothing at all to do with it. I said nothing about it and neither did any other Member of the Senate on the floor say anything about it, except the Senator from Utah introduced some amendments, which were accepted without debate and without discussion. I respectfully ask the Senator from Utah if I made an accurate statement of the facts?

Mr. SMOOT. The Senator from Montana has made the statement just as I understand it to be.

Mr. WALSH of Montana. Now, Mr. President, I ask any Republican Member to arise in his place and question the accuracy of the statement which I have made concerning the record, if it is in any respect inaccurate.

Mr. LENROOT. Mr. President, the statement of the Senator from Montana is entirely correct, with possibly one exception; that the act of February, 1920, did authorize the leasing of producing wells in the reserves and a compromise of existing claims by the President.

Mr. WALSH of Montana. I wish to ask the Senator, then, is it not also a fact that none of the leases were executed under the provisions of that clause in the act of February 25, 1920?

Mr. LENROOT. None of the leases in question here; no, none of them.

Mr. WALSH of Montana. Now, Mr. President, having demonstrated that the Republican National Committee and its news organ are inveterate liars, I shall not trouble the Senate any further with anything that they or either of them may say upon this subject. I desire to add at this time, however, that it is perfectly obvious that they are engaged, not in enlightening the public concerning the facts of this matter, but in misrepresenting the facts to the public in order to bring discredit upon the investigation and thus hamper and retard and, if possible, destroy the effect of the committee's work; for it must be conceded that it is useless for us to go on with this investigation unless the public has confidence in the purpose which actuates us in the development of these facts.

But, Mr. President, there is another matter to which I desire to call the attention of the Senate.

My esteemed friend the junior Senator from California [Mr. SHORTRIDGE] in the course of some remarks made upon this general subject here upon the floor some time ago inquired why Senator WALSH was so dilatory about bringing these facts before the public, nearly two years having elapsed before they were made public, and the suggestion and the inquiry thus made by the junior Senator from California was taken up and reechoed in the public press a few days ago by Mr. Vanderlip. I congratulate the junior Senator from California upon his associate.

I take occasion at this time to put in the RECORD the chronology of this matter for the purpose of determining how dilatory anyone was and particularly how dilatory I was in discharging the duty imposed upon us by the committee.

April 15, 1922: Senator KENDRICK introduced his resolution requesting the Secretary of the Interior and the Secretary of the Navy to inform the Senate whether negotiations were pending for the leasing of the Teapot Dome, which was agreed to.

April 21, 1922: Senator LA FOLLETTE introduced his resolution directing the Secretary of the Interior to transmit to the Senate all records relating to the naval oil reserves.

April 22, 1922: Vice President Coolidge laid before the Senate a joint communication from the Acting Secretary of the Interior and the Secretary of the Navy transmitting, in response to Senator KENDRICK's resolution, information relative to negotiations with private parties for the operation of lands included in naval petroleum reserve No. 3, which was ordered to lie on the table and to be printed.

April 28, 1922: Senator LA FOLLETTE delivered an address in support of his resolution authorizing the Committee on Public Lands and Surveys to investigate the entire subject of leases upon naval oil reserves.

April 29, 1922: Senator LA FOLLETTE's resolution passed the Senate unanimously; yeas 58; nays none.

June 7, 1922: Secretary Fall transmitted to Senator SMOOT, chairman of the Committee on Public Lands and Surveys, all documents called for in Senator LA FOLLETTE's resolution.

June 7, 1922: Secretary Fall transmitted to President Harding a report concerning the handling of all the naval petroleum reserves, with the request that it may be referred to the Committee on Public Lands and Surveys for their consideration.

June 8, 1922: Message from the President of the United States transmitting, in response to Senator LA FOLLETTE's resolution, a communication from the Secretary of the Interior submitting information concerning the naval reserve oil leases. Referred to the Committee on Public Lands and Surveys.

That report, thus made by Secretary Fall, advised the Senate through the President that pursuant to that part of the resolution which directed the transmission to the Senate of copies of all documents relating to these leases compilation of such documents was in process of completion. By that time, as my recollection is, several drayloads of these documents had been transmitted to the Committee upon Public Lands and Surveys, and the letter of Secretary Fall said that the work was still going forward. That was on June 8, 1922.

August 25, 1922: Senator KENDRICK delivered an address in the Senate on the leasing of the Teapot Dome.

That session of the Congress of the United States terminated on September 22, 1922. On June 8 the collection of these documents was not yet complete. Three months thereafter the Senate adjourned for the session.

The Congress reconvened on the 20th day of November, 1922, in special session but adjourned pursuant to the Constitution on December 4, 1922. During the period intervening between June and September the Public Lands Committee was holding hearings on the matter of the Red River (Okla.) oil leases, and during the second session of the Sixty-seventh Congress, and these were concluded on September 12, 1922. Those hearings were protracted and important.

Mr. LENROOT. Mr. President, with the Senator's permission, I might add that a subcommittee of the Committee on Public Lands and Surveys also spent some three weeks investigating the Pueblo Indian matters.

Mr. WALSH of Montana. Reference is made to that in the RECORD which I have here.

The Senate reconvened on December 4, 1922.

December 20, 1922: The official minute book of the Committee on Public Lands and Surveys, at page 49, has the following:

Upon motion of Senator WALSH communications were sent to the following: Mayor W. A. Blackmore, of Casper, Wyo.; Gov. Robert D. Carey, of Wyoming; and Mr. G. B. Morgan, State geologist of Wyoming, asking if they had additional information concerning the Salt Creek and Teapot structures since their recent communications to Senator LA FOLLETTE.

In the course of the speech of the Senator from Wisconsin [Mr. LA FOLLETTE] made in the month of April, 1922, he had referred to communications which he had received from these distinguished citizens of the State of Wyoming. Some seven or eight months had elapsed, and the committee desired to get further information from them, and communication was opened up with them for that purpose. That was on December 20.

January 3, 1923: The official minute book of the Committee on Public Lands and Surveys, at page 51, has the following:

Answers to wires sent the following at last meeting were read: Messrs. Blackmore, Carey, and Morgan.

Naval oil leases were discussed. Senator WALSH moved that the committee engage two experts, unbiased geologists, to make an investigation of the situation and report for the use and information of the committee. Carried. The geologists to be named at the next meeting.

The Public Lands Committee was holding hearings in the matter of the Pueblo Indian land bills during the fourth session of the Sixty-seventh Congress, commencing January 15, 1923.

January 24, 1923: The official minute book of the Committee on Public Lands and Surveys at page 69 has the following:

Considered matter of appointment of geologists to investigate Teapot Dome situation. Subcommittee appointed as follows to select two geologists: Senators SMOOT, chairman; LENROOT, and WALSH of Montana.

February 3, 1923: The official minute book of the Committee on Public Lands and Surveys, at page 79, has the following:

Senator SMOOT reported that the subcommittee appointed to confer with the geologists in connection with the Teapot Dome had met Messrs. Clapp and Lewis and recommended that they be employed at a salary of \$175 a day and expenses until the work was completed. The geologists would start about March 1, 1923, and would complete the examination within 30 days and submit a report. The recommendation was agreed to, and Senator SMOOT agreed to ask for an appropriation in the usual manner.

The geologists were to commence their work on March 1, 1923, and the session of the Congress would come to an end on the 4th day of March, under the Constitution. As a matter of fact, the weather was so severe at that time that it was impossible for them to get to work; and the work was delayed, according to my recollection, until about the 1st of June, 1923.

February 23, 1923: The official minute book of the Committee on Public Lands and Surveys, at page 93, has the following:

Moved to proceed with the hearings on the naval oil reserves resolution, commencing October 15, 1923, and that for the purpose of taking testimony five members of the committee will constitute a quorum.

I should say there that I made every possible effort to induce a majority of the members of the committee to remain after the adjournment of the session on March 4, 1923, to take up this matter as soon as the geologists made their report. I think that my ardency in urging that course will be sustained by the statement of any member of the committee who will speak upon the matter. However that may be, the Senate then adjourned, and it was agreed that we should begin the hearings on the 15th day of October, 1923.

October 15, 1923: A quorum of the Committee on Public Lands and Surveys not being present, the hearing in the matter of the leasing of the naval oil reserves was put off until October 22, 1923.

October 22, 1923: Hearings commenced on Senate resolutions providing for an investigation of the subject of leases upon naval oil reserves.

This, I think, Mr. President, ought to dissipate the contention on the part of anybody that there was any delay on the part of the committee, or any member of the committee, in the discharge of the duties imposed upon them by the joint resolution.

SPEECH OF SENATOR JAMES A. REED.

Mr. MOSES. Mr. President, noting the return of the senior Senator from Mississippi [Mr. HARRISON] to the floor a few minutes ago, I supposed he had come in here with a certain purpose, but as he has since left the floor I have concluded that I was wrong in that deduction. I had assumed that he would present for printing in the RECORD a very powerful speech delivered by one of our colleagues last night in the city of St. Louis. Since he is not here to do it, I ask unanimous consent that there may be printed in the RECORD, according to the print contained in the New York Tribune of this morning, the speech delivered by the senior Senator from Missouri [Mr. REED] in St. Louis last evening.

The PRESIDENT pro tempore. Is there objection?

Mr. ROBINSON. I object, Mr. President.

Mr. MOSES. Then I regret that I shall have to read the speech and give to it a rhetorical emphasis which perhaps printing in the RECORD might not do.

Mr. ROBINSON. I demand the regular order.

The PRESIDENT pro tempore. The regular order is demanded. The regular order is the introduction of bills and joint resolutions. The Senator from New Hampshire is out of order.

Mr. NORRIS. Mr. President, I have no desire to take up the time of the Senate on that subject. I want to say just a word in reference to what the Senator from Montana has said.

The PRESIDENT pro tempore. The regular order has been called for.

Mr. MOSES. The regular order is the introduction of bills and joint resolutions.

Mr. NORRIS. I understand that I can be taken off my feet by an objection.

The PRESIDENT pro tempore. If there be no further bills and joint resolutions, the introduction of concurrent and other resolutions is in order.

RESERVOIR OR POWER SITES.

Mr. LENROOT. The bill (S. 665) to amend section 13, chapter 431, of an act approved June 25, 1910 (36 Stat. L. p. 855), so as to authorize the Secretary of the Interior to issue trust and final patents on lands withdrawn or classified as power or reservoir sites, with a reservation of the right of the United States or its permittees to enter upon and use any part of such land for reservoir or power-site purposes, was introduced by the Senator from Utah [Mr. SMOOT] and referred to the Committee on Public Lands and Surveys. It was favorably reported and is now upon the calendar. I ask that it be taken from the calendar and referred to the Committee on Indian Affairs.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

LAND CLAIMS OF NORTHERN PACIFIC RAILROAD.

Mr. LENROOT. I also desire to ask unanimous consent that there be printed in the RECORD—

Mr. NORRIS. Mr. President—

Mr. MOSES. Mr. President, I thought I had the floor.

The PRESIDENT pro tempore. The Senator has not the floor.

Mr. MOSES. Then I will stay here demanding it.

Mr. LENROOT. I ask unanimous consent that there be printed in the RECORD a letter addressed to me as chairman of

the Committee on Public Lands and Surveys by the President of the United States relative to the Northern Pacific land-grant matter.

There being no objection, the letter of the President was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, February 23, 1924.

MY DEAR SENATOR: I desire to bring to your attention a letter from the Secretary of Agriculture under date of February 19, 1924, in reference to the claim asserted by the Northern Pacific Railroad to large areas of valuable timberland within the national forests.

The possible loss of public title to these resources, which have been protected and developed for many years at public cost, arises under an adjudication of the land grant made by Congress to the Northern Pacific Railroad in 1864. It is my understanding that the legislation conveying this grant of 40,000,000 acres of public land was, in effect, a contract or covenant between the United States and the railroad company under which mutual obligations were assumed. Certain features of these obligations, particularly on the part of the Government, have from time to time been reviewed and determined by the Federal courts, but their decisions were confined necessarily and purposely to the immediate issues brought before them. At no time does there appear to have been a comprehensive review or determination of the entire transaction covering the mutual equities and obligations created by the covenant if the grant to the Northern Pacific Railroad may purposely be so designated.

The statements contained in the letter from the Secretary of Agriculture raise serious questions as to the extent to which the railroad company may have obtained undue benefits from the grant, and also as to the extent of its compliance with the obligations imposed upon it by the legislation which conferred the grant. I believe that these questions should be fully determined before a final settlement of the matter is effected, and before further public lands are patented to the company. From the nature of the case, and particularly the broad and varied equities which it involves, it would seem that such a determination and settlement can be made only by the Congress.

The United States has granted lavishly of its public resources to aid the extension of transportation facilities and thereby the economic development of the Western States. No question as to the wisdom of that policy is involved in this issue. Nor is any question involved as to the legal and moral obligation of the Government to discharge in full the contractual obligations which it assumed for the accomplishment of public benefits. That the legal and equitable claims of the grantee should be fully weighed and safeguarded goes without saying. But it is still more imperative that the interests of the public, both in the possession and conservation of valuable natural resources and in the accomplishment of the purposes for which the grant was made be adequately protected in an equitable settlement of this question.

The Secretary of Agriculture in a letter to me states further a summary of the facts involved in this matter, as they have been developed through a painstaking investigation. The full record of that investigation has no doubt been placed at your disposal. I quote from the letter of Secretary Wallace, dated February 19, 1924:

"In April, 1921, the Supreme Court rendered a decision (256 U. S. 51) with regard to lands in the indemnity limits of the grant to the Northern Pacific, holding that lands in these limits could not be withdrawn by the United States if they were needed to satisfy the acreage of the grant.

"The tentative adjustment made by the Department of the Interior shows the grant to be deficient some 3,900,000 acres.

"Large areas of national forest lands are within the indemnity limits of the grant. It follows that should the tentative adjustment become final a large acreage of these national forest lands will pass to the Northern Pacific.

"When this situation became evident this department, through the Forest Service, began a thorough investigation of the Northern Pacific grants. As a result of this investigation certain representations were made to the Department of the Interior, and on January 24, 1924, I addressed a letter to the Secretary of the Interior and asked him to join with me in sending to Congress a proposed joint resolution directing the Secretary of the Interior to withhold his approval of the adjustment of the Northern Pacific land grants until Congress shall have made a full and complete inquiry into them.

"The Secretary of the Interior complied with this request, and the proposed resolution was sent to Congress and was introduced in the House by Hon. N. J. SINNOTT, chairman of the Committee on Public Lands, and in the Senate by Senator LENROTH.

"As this matter no doubt will come to your attention, if it has not already, I desire to give you a brief statement of the reasons for this action by this department.

"The case in which the Supreme Court (256 U. S. 51) defined the measure of the Northern Pacific grants did not take into con-

sideration, and properly so, many other questions which I believe should be considered by Congress before the case reaches the point where the Northern Pacific may take these national forest lands.

"The defaults of the Northern Pacific were numerous and flagrant, and the supplementary benefits allowed by the Government were many and lavish, but in the absence of action by Congress the courts and the administrative departments were and are without authority to consider the resulting equities, but have been forced to act as though the company had complied with every term of the grant, both in spirit and letter. Congress, as the contracting power in this case, has the power and authority to determine what weight shall be given to such violations of the grant and such beneficial concessions. It alone can inquire into the grants for the purpose of ascertaining whether they have been fairly satisfied to date by the United States, taking into consideration the equitable and other features of the grants that were not before the Supreme Court when it handed down its decision. (256 U. S. 51.)

"I submit that if the proof is sufficient to show that the Northern Pacific failed to meet the requirements of its agreement, or that the Northern Pacific has already received a greater acreage or greater values than it was equitably entitled to receive, Congress has ample authority to save these national forest lands to the Government. I believe an investigation by Congress would show:

"1. That the land grants were made for the purpose of aiding in the construction of the railroad. The total gross receipts of the Northern Pacific to June 30, 1917, from the sale of the lands from its grant amounted to \$136,118,533.14. The cost of constructing the road did not exceed \$70,000,000. The sale of lands has more than paid for the cost of constructing the railroad.

"2. That the Northern Pacific failed to construct 1,507.21 miles of its railroad within the time required by law, thereby rendering the granted lands subject to forfeiture.

"3. That the Northern Pacific failed to dispose of certain of its lands to settlers at not to exceed \$2.50 per acre as required by the law. A somewhat similar provision in the Oregon & California grant was held by the Supreme Court to be an enforceable covenant. (238 U. S. 393.)

"4. That the Northern Pacific failed to dispose of hundreds of thousands of acres of its lands at public sale as required by law.

"5. That hundreds of thousands of acres of poor land in the Northern Pacific grant were erroneously classified as mineral. This land was turned back to the United States and the railroad acquired mineral indemnity rights therefor which were applied in part on more valuable lands in the indemnity limits.

"6. That under a rule of law laid down by the Supreme Court the Northern Pacific has been erroneously allowed 1,500,000 acres too much land in the State of Washington.

"7. That over 500,000 acres of land credited to the Northern Pacific should be deducted, because of conflict with the land grant of another road and the erroneous fixation of the land grant limit lines.

"8. That approximately 640,000 acres of land have been erroneously allowed the Northern Pacific by reason of the Tacoma overlap.

"9. That the Northern Pacific has received approximately 600,000 acres of land to which they were not entitled under their grant in the Wallula overlap.

"10. That the Northern Pacific has been allowed to make over 1,300,000 acres of indemnity selections in its second indemnity belt, whereas these selections should have been confined to the first indemnity belt.

"11. That for lands erroneously patented to the Northern Pacific the Government should be entitled to receive at least what the railroad received from the sale of these lands instead of \$1.25 per acre.

"12. That the Northern Pacific under the Mount Rainier Park act of March 2, 1899, relinquished to the United States thousands of acres of commercially valueless land and received therefor selection privileges applicable to the finest lands they could find in the States of Oregon, Washington, Idaho, Montana, North Dakota, Minnesota, and Wisconsin.

"I am sending with this letter a mimeographed pamphlet, which is in the nature of a brief, dealing with the whole matter. This brief was filed by the Forest Service of this department with the General Land Office on July 12, 1923.

"The resolution which has been introduced in Congress does not attempt to take any land from the Northern Pacific. It merely holds the adjustment of the grant and the issuance of further patents in abeyance until Congress has had an opportunity to make an inquiry into the land grants so that it may pass such legislation as it may deem right and proper.

"It is my opinion that the case is beyond question one for the action of Congress. It would be extremely unfortunate if 3,000,000

acres of national-forest lands should be lost to the United States if Congress has the authority to save them under legislation which, in the light of all the law and the facts, would be fair and just to the Northern Pacific Railway Co."

For the reasons set forth by the Secretary of Agriculture I heartily concur in his recommendation that the entire matter should receive the attention of Congress. I therefore urge upon your committee the importance of action as early as possible which shall look to the fullest protection of the public interests herewith concerned. The recital of the facts has deeply interested me, and it is this interest, together with the conviction that a highly important public interest can only be effectively protected by appropriate congressional action, that prompts me to write you.

Most sincerely yours,

CALVIN COOLIDGE.

HON. IRVINE L. LENROOT,

Chairman Committee on Public Lands,

United States Senate, Washington, D. C.

AMENDMENT OF FEDERAL FARM LOAN ACT, ETC.

Mr. FLETCHER submitted an amendment intended to be proposed by him to the bill (S. 2295) to amend the Federal farm loan act and the agricultural act of 1923, which was referred to the Committee on Banking and Currency and ordered to be printed.

ETHEL ROBERTS LOOP.

Mr. WATSON submitted an amendment (with an accompanying paper) proposing to appropriate \$4,000 to pay Ethel Roberts Loop, widow of Carl R. Loop, late consul at Catania, Italy, one year's salary of her deceased husband, who died while at his post of duty of illness incurred in the Consular Service, intended to be proposed by him to the State and Justice Departments appropriation bill, which was referred to the Committee on Appropriations and ordered to be printed.

ADDRESS OF SENATOR M'KELLAR ON WASHINGTON'S BIRTHDAY.

Mr. ASHURST. Mr. President, I have here a copy of an address delivered by the Senator from Tennessee [Mr. McKellar] on Washington's Birthday, at Chattanooga, Tenn., where a great auditorium in honor of the ex-service men of the World War was dedicated. I have had the privilege of reading the address. It contains no offensive partisanship; it is a very excellent address, and is very brief. I ask that it may be inserted in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

ADDRESS DELIVERED BY SENATOR KENNETH MCKELLAR AT CHATTANOOGA, TENN., ON FRIDAY, FEBRUARY 22, 1924, AT THE SERVICES DEDICATING A GREAT AUDITORIUM IN HONOR OF THE EX-SERVICE MEN.

My fellow citizens, I have been asked to do an impossible thing to-day, namely, to eulogize fittingly, in five minutes, the greatest mortal man that probably the world ever produced, the late lamented Woodrow Wilson. Of course, it can not be done. I can only hope, in the time accorded me, to point out some leading facts in his life.

I was never an intimate of President Wilson's, but we were warm friends. I stood by him and his administration, and I knew him well. No one could come in touch with his wonderful and engaging personality, and not be his admirer. Since I have served in the Congress I have seen and known many great men in this country and from all parts of the world. I have touched hands with Presidents, rulers, kings, and princes; but I have never known a man in high place who so admirably fitted it, who so greatly adorned it, as President Wilson.

What constitutes greatness in a man is dependent upon many conditions. The age in which he lives, the race to which he belongs, the people from whom he springs, the Nation of which he is a citizen, his position in life, his moral character, his mental capacity, his education, his principles, his purposes, his ideals, his personality, his opportunities, his failures, his accomplishments, his successes, must all be taken into consideration.

Considering all these things, I think it can safely be said that Woodrow Wilson was the most remarkable figure that has ever arisen above the horizon of time and that he is entitled to first place among the sons of men.

AS A MAN AND CITIZEN.

Woodrow Wilson was born of a race of thinkers and doers. His people before him were clean and honest; Presbyterianly religious, and law-abiding, and he inherited all these rich and admirable qualities. As a boy, as a young man, as a son, as a brother, as a husband, as a father, and as a Christian gentleman, his life was devoted and blameless. He loved his family and his family loved him. He was intensely patriotic, but at the same time loved all mankind.

He had a master mind. He was the greatest scholar in the land. He was the greatest master of the English language that we had.

He was the highest authority on civil government. He was an expert in economics. He was an historian without a peer. He was an orator equal to the best. His personality was the most remarkable of any man I have ever known. He was the greatest democrat in the highest and best meaning of that word that the world ever knew. In my humble judgment he was the greatest statesman of this or any other age.

AS PRESIDENT.

Because of his ability, because of his extraordinary education, because of his wonderful mental capacity, because of his experience as president of one of our greatest universities and as governor of his own State, because of his expert knowledge of civil government and of his mastery of economics, with a knowledge of history unsurpassed, no man ever came to the presidential chair so well equipped as was Woodrow Wilson.

Under his administration our Nation reached its greatest power. There was no scandal that arose during the eight years of his service. His administration was clean. His administration was honest. His administration was uplifting. In short, our country reached its greatest prosperity at home and its widest influence abroad. Under it we became the first power in all the world.

Woodrow Wilson never took a selfish position for our country. He wanted and would have no other nation's territory. He wanted and would have no indemnity in war. His sole object was to make our great, rich, powerful Nation the instrument of bringing about a perpetual peace among all nations, and instituting a rule of righteousness and justice among the children of men. He loved all mankind. He wanted America to take the lead not in putting mankind under the yoke of America but in uplifting and aiding all mankind, and especially in seeking to do away with the horrors of war, and to lead all nations to rise to higher, better, and nobler things.

He wanted "the world made safe for democracy." He wanted all agreements between nations to be "open and openly arrived at." He wanted "pitiless publicity" in all public affairs. He wanted all peoples to be governed by "self-determination." He wanted "the seas to be free to all nations and to all people." He wanted to abolish war, to abolish selfish and secret diplomacy, to abolish a desire for the territory of others. His ideals were the highest, his purposes the purest in every affair of life. His ideals, though ahead of his time, were the greatest ideals that were ever put forth by any mortal man.

WORLD LEADER.

No man before him was ever such a world figure. No man was ever revered by so many and such various peoples. No man was ever known to so many people. No man ever advocated policies affecting so many people. No man ever before caused so many nations to agree to keep the peace. No man ever had such a dominating influence in the world's affairs. He was known and believed in by all peoples, by all races, and by all nations. His ideals were discussed wherever civilization existed. He was the one masterful, outstanding figure of the world during the last century.

All greatness is relative. Washington's success could not have been excelled in his day in the surroundings which he had. Lincoln's success could not have been excelled in his day in his surroundings. What they would have done if they had been in Wilson's place of enlarged opportunities, of course, no one knows. We Americans might well believe either might have done as well. We know that neither could have done better. But the opportunities were not theirs. They were Woodrow Wilson's, and we all know that he lived up to his opportunities.

He was the Commander in Chief and the actual leader of the largest army ever organized on the face of the earth. That Army was successful in the greatest war ever fought among men. For two years after April 6, 1917, when we entered the war, Woodrow Wilson was the actual commander and ruler of the destinies of the world. He dominated the world more completely than Alexander or Caesar or Napoleon ever did. And, because of the wonderful success of his undertakings up to that time, and because of the wonderful feat of transporting 2,000,000 men across German-submarine-infested seas, there to fight and win the greatest military victory ever achieved, it can easily be seen that Wilson was the foremost war leader that ever appeared on the scene in the affairs of men. But he led in no unrighteous war. His foremost purpose was to lead the world through a war in which he had had no part in starting into everlasting peace.

I believe he was the greatest President that ever sat in the presidential chair, and the greatest world leader, civil or military, of this or any other age. In his ideals, his purposes, in his crusader-like determination to win the world to a higher and nobler existence and to bring about a permanent peace he was more like the great Prince of Peace than any man who ever lived on the face of the earth. As the days, as the years, and as the ages go by his fame will grow and increase, and his name will be praised by all who love peace, justice, freedom, and righteousness everywhere. The purposes that guided his life and the ideals for which he stood will stand as a monument to him that time will but make more enduring.

When 10,000 years shall have rolled away his name will still be a household word throughout the world, and it will be from everlasting to everlasting.

ENFORCEMENT OF NATIONAL PROHIBITION ACT.

Mr. DALE. Mr. President, I offer an amendment intended to be proposed as a substitute for the resolution (S. Res. 171) offered by the Senator from New Jersey [Mr. EDWARDS], and I ask to have it printed and lie on the table.

The amendment in the nature of a substitute was ordered to be printed and to lie on the table, as follows:

Whereas on the night of the 15th day of February, 1924, on Pennsylvania Avenue, in the city of Washington, Hon. FRANK L. GREENE, a United States Senator from the State of Vermont, while walking peacefully along the Avenue, was struck and severely wounded by a gunshot: Therefore be it

Resolved, That the Judiciary Committee of the Senate be authorized and directed to investigate the facts and circumstances leading up to the shooting and report its findings to the Senate, as to placing the responsibility for the act committed and providing measures to change the existing conditions under which similar deplorable acts may occur, together with such other conclusions and recommendations as to said committee may seem proper.

WILLIAM J. DONALD.

Mr. WARREN submitted the following resolution (S. Res. 172), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the Secretary of the Senate be, and he hereby is, authorized and directed to pay out of the contingent fund of the Senate to William J. Donald the sum of \$228.33, being the amount received by him per month as clerk to the Hon. Samuel D. Nicholson, late a Senator from the State of Colorado.

PROSECUTION OF CLAIMS AGAINST THE GOVERNMENT BY EX-OFFICIALS.

Mr. NORRIS. Mr. President—

Mr. MOSES. Mr. President—

Mr. NORRIS. Mr. President, I have a resolution to offer if I can get recognition.

The PRESIDENT pro tempore. The Senator from Nebraska.

Mr. NORRIS. I desire to offer a Senate resolution calling on the Secretary of the Treasury for certain information. I ask that it be read. Then I will ask unanimous consent for its present consideration.

The PRESIDENT pro tempore. The Secretary will read the resolution.

The reading clerk read the resolution (S. Res. 173), as follows:

Resolved, That the Secretary of the Treasury be, and he is hereby, directed to furnish the Senate the following information:

1. Give the name of any ex-Member of the House of Representatives or of the Senate, or any ex-Cabinet officer, who, within two years after he had served in the House or the Senate, or held official position as head of one of the departments of the executive government, and who, since the 1st day of January, 1918, has appeared as attorney or agent, or who is a member of any firm or partnership appearing as attorney or agent, before the Department of the Treasury, or any of its bureaus, divisions, or subdivisions, in advocacy of any claim of any kind against the Government of the United States.

2. If there has been any such appearance as outlined in paragraph 1, then give in full and in detail the nature of the claim, the amount of money involved, the amount of money, if any, allowed such claimant, and the final disposition of the matter involved.

3. If there has been any correspondence between the Treasury Department or any of its branches, divisions, or officials, and any of the persons described in paragraph 1, in relation to the subject matter outlined in paragraph 1, then supply the Senate fully with all such letters or copies thereof.

The PRESIDENT pro tempore. The Senator from Nebraska asks unanimous consent for the immediate consideration of the resolution. Is there objection?

Mr. WATSON. Mr. President—

The PRESIDENT pro tempore. The Chair hears no objection, and the resolution is agreed to.

Mr. NORRIS. Mr. President, I have a similar resolution to offer—

Mr. WATSON. May I ask the Senator a question about the resolution which has already been passed?

Mr. NORRIS. Certainly.

Mr. WATSON. I am assuming that the Senator has examined the statutes so as to know whether the Secretary of the Treasury can give us the information the Senator seeks without violating any of those statutes. Very much of the information in the Treasury Department the Secretary can

not give to the public, and I was just wondering whether the Senator had examined the statutes.

Mr. NORRIS. I have not made an examination of the statutes for that purpose, but I assume there is nothing wrong in the Secretary of the Treasury giving the information I have called for in this resolution.

Mr. ASHURST. Mr. President, there is a statute, forty years or more old, prohibiting persons who were in the employ of the Government from taking cases against the Government. There was a statute passed in 1917 prohibiting certain other persons from appearing before the Government departments within two years after they severed their relations with the Government.

Mr. MOSES. I do not understand that those are the statutes to which the Senator from Indiana refers. The Senator from Indiana is referring to the statute which makes certain information in the custody of the Treasury Department not open to the public.

Mr. ASHURST. Oh, I did not understand the Senator's inquiry.

Mr. NORRIS. Mr. President, I desire to offer resolutions, word for word, like the resolution just passed, directed to the Secretary of the Interior, one directed to the Secretary of the Navy, another to the Secretary of War, another to the Attorney General, and another one in the same language, except that it puts in the usual phrase, "if not incompatible with the public interest," directed to the Secretary of State; and still another one, which I will ask to have read, because it is somewhat different, directed to the Shipping Board. I ask unanimous consent for the present consideration of these other resolutions, directed to the heads of the various departments, and I suppose it will not be necessary to read them, because they are in the same language.

The PRESIDENT pro tempore. The Secretary will read the first resolution for information.

Mr. NORRIS. Mr. President, if the Senate is willing to take my word for it, I ask that the reading of the resolutions be dispensed with. As I said, they are in the same language employed in the resolution which was just passed, except that the one directed to the Secretary of State has the clause in it that he is to furnish the information "if not incompatible with the public interest."

The PRESIDENT pro tempore. Will the Senate consent to pass upon the unanimous-consent request without the reading of the resolutions?

Mr. ROBINSON. Let the resolution be read, Mr. President, and let us consider them one at a time.

The PRESIDENT pro tempore. The Secretary will read the first resolution.

The reading clerk read the resolution (S. Res. 174), as follows:

Resolved, That the Secretary of State be, and he is hereby, requested, if not incompatible with the public interests, to furnish the Senate the following information:

1. Give the name of any ex-Member of the House of Representatives or of the Senate, or any ex-Cabinet officer, who, within two years after he had served in the House or the Senate, or held official position as head of one of the departments of the executive government, and who, since the 1st day of January, 1918, has appeared as attorney or agent, or who is a member of any firm or partnership appearing as attorney or agent, before the Department of State, or any of its bureaus, divisions, or subdivisions, in advocacy of any claim of any kind against the Government of the United States.

2. If there has been any such appearance, as outlined in paragraph 1, then give in full and in detail the nature of the claim, the amount of money involved, the amount of money, if any, allowed such claimant, and the final disposition of the matter involved.

3. If there has been any correspondence between the Department of State, or any of its branches, divisions, or officials, and any of the persons described in paragraph 1, in relation to the subject matter outlined in paragraph 1, then supply the Senate fully with all such letters or copies thereof.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution?

Mr. MOSES. Mr. President, this being a debatable question, I ask for recognition.

The PRESIDENT pro tempore. The Chair is of the opinion that it is not debatable.

Mr. MOSES. A request for the consideration of a resolution by unanimous consent is not debatable?

The PRESIDENT pro tempore. Not before 1 o'clock.

Mr. MOSES. Then, Mr. President, I will wait eight minutes.

Mr. HARRISON. Mr. President, I ask unanimous consent that the Senator from New Hampshire may proceed.

Mr. NORRIS. I object to that. It is only eight minutes before he will be able to take up what he wants to speak about.

Mr. MOSES. If the Senate will give me unanimous consent for the printing of a speech by a Senator, I will not take any time at all. In my capacity as watchdog of the Record, being chairman of the Committee on Printing, I have often had occasion to object to the insertion of extraneous matter in the Record, but the unbroken rule has been that a speech delivered by a Senator, anywhere, on any subject, should be printed in the Record if unanimous consent was asked for. I asked for unanimous consent to print in the Record the speech made by the senior Senator from Missouri [Mr. REED] last night in the city of St. Louis. It was refused. In view of the return of the senior Senator from Mississippi [Mr. HARRISON] to the floor, I again ask unanimous consent for the printing of the speech in the Record.

The PRESIDENT pro tempore. The Senator from Mississippi has submitted a request for unanimous consent.

Mr. HARRISON. I only asked unanimous consent that the Senator might proceed. I am very anxious to hear him, but there is pending his request for unanimous consent.

Mr. ROBINSON. I object. Let the proceedings of the Senate be in regular order.

The PRESIDENT pro tempore. Does the Senator from Arkansas object?

Mr. ROBINSON. I do. I call for the regular order.

The PRESIDENT pro tempore. The question is on agreeing to the resolution which has just been read.

The resolution was agreed to.

The resolution (S. Res. 175) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Interior be, and he is hereby, directed to furnish the Senate the following information:

1. Give the name of any ex-Member of the House of Representatives or of the Senate, or any ex-Cabinet officer, who, within two years after he had served in the House or the Senate, or held official position as head of one of the departments of the executive government, and who, since the 1st day of January, 1918, has appeared as attorney or agent, or who is a member of any firm or partnership appearing as attorney or agent, before the Department of the Interior, or any of its bureaus, divisions, or subdivisions, in advocacy of any claim of any kind against the Government of the United States.

2. If there has been any such appearance, as outlined in paragraph 1, then give in full and in detail the nature of the claim, the amount of money involved, the amount of money, if any, allowed such claimant, and the final disposition of the matter involved.

3. If there has been any correspondence between the Interior Department, or any of its branches, divisions, or officials, and any of the persons described in paragraph 1 in relation to the subject matter outlined in paragraph 1, then supply the Senate fully with all such letters or copies thereof.

The resolution (S. Res. 176) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of the Navy be, and he is hereby, directed to furnish the Senate the following information:

1. Give the name of any ex-Member of the House of Representatives or of the Senate, or any ex-Cabinet officer, who, within two years after he had served in the House or the Senate, or held official position as head of one of the departments of the executive government, and who, since the 1st day of January, 1918, has appeared as attorney or agent, or who is a member of any firm or partnership appearing as attorney or agent, before the Navy Department, or any of its bureaus, divisions, or subdivisions, in advocacy of any claim of any kind against the Government of the United States.

2. If there has been any such appearance, as outlined in paragraph 1, then give in full and in detail the nature of the claim, the amount of money involved, the amount of money, if any, allowed such claimant, and the final disposition of the matter involved.

3. If there has been any correspondence between the Navy Department, or any of its branches, divisions, or officials, and any of the persons described in paragraph 1 in relation to the subject matter outlined in paragraph 1, then supply the Senate fully with all such letters or copies thereof.

The resolution (S. Res. 177) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Secretary of War be, and he is hereby, directed to furnish the Senate the following information:

1. Give the name of any ex-Member of the House of Representatives or of the Senate, or any ex-Cabinet officer, who, within two years after he had served in the House or the Senate, or held official position as head of one of the departments of the executive government, and who, since the 1st day of January, 1918, has appeared as attorney or agent, or who is a member of any firm or partnership appearing

as attorney or agent, before the Department of War, or any of its bureaus, divisions, or subdivisions, in advocacy of any claim of any kind against the Government of the United States.

2. If there has been any such appearance, as outlined in paragraph 1, then give in full and in detail the nature of the claim, the amount of money involved, the amount of money, if any, allowed such claimant, and the final disposition of the matter involved.

3. If there has been any correspondence between the Department of War, or any of its branches, divisions, or officials, and any of the persons described in paragraph 1 in relation to the subject matter outlined in paragraph 1, then supply the Senate fully with all such letters or copies thereof.

The resolution (S. Res. 178) was read, considered by unanimous consent, and agreed to, as follows:

Resolved, That the Attorney General be, and he is hereby, directed to furnish the Senate the following information:

1. Give the name of any ex-Member of the House of Representatives or of the Senate or any ex-Cabinet officer who within two years after he had served in the House or the Senate, or held official position as head of one of the departments of the executive government, and who, since the 1st day of January, 1918, has appeared as attorney or agent, or who is a member of any firm or partnership appearing as attorney or agent, before the Department of Justice, or any of its bureaus, divisions, or subdivisions, in advocacy of any claim of any kind against the Government of the United States.

2. If there has been any such appearance, as outlined in paragraph 1, then give in full and in detail the nature of the claim, the amount of money involved, the amount of money, if any, allowed such claimant, and the final disposition of the matter involved.

3. If there has been any correspondence between the Department of Justice, or any of its branches, divisions, or officials, and any of the persons described in paragraph 1 in relation to the subject matter outlined in paragraph 1, then supply the Senate fully with all such letters or copies thereof.

The resolution (S. Res. 179) was read, as follows:

Resolved, That the United States Shipping Board be, and it is hereby, directed to furnish the Senate the following information:

1. Give the name of any ex-Member of the House of Representatives or of the Senate, or any ex-Cabinet officer, who, within two years after he had served in the House or the Senate, or held official position as head of one of the departments of the Government, and who, since the 1st day of January, 1918, has appeared as attorney or agent, or who is a member of any firm or partnership appearing as attorney or agent before the United States Shipping Board or the Emergency Fleet Corporation, or any of the officers or officials or branches of either the United States Shipping Board or the Emergency Fleet Corporation, in advocacy of any claims of any kind requiring action thereon by the United States Shipping Board or the Emergency Fleet Corporation, or any of the officers or officials of the United States Shipping Board or Emergency Fleet Corporation.

2. If there has been any such appearance, as outlined in paragraph 1, then give in full and in detail the nature of the claim, the amount of money involved, the amount of money, if any, allowed such claimant, and the final disposition of the matter involved.

3. If there has been any correspondence between the United States Shipping Board or the Emergency Fleet Corporation, or any officer or official of the United States Shipping Board or the Emergency Fleet Corporation, and any of the persons described in paragraph 1 in relation to the subject matter outlined in paragraph 1, then supply the Senate in full with all such letters or correspondence.

4. If any of the persons described in paragraph 1 have appeared as attorneys or agents, or if any of such persons are members of any partnership or firm appearing as attorneys or agents, before the United States Shipping Board or the Emergency Fleet Corporation, or before any official of the United States Shipping Board or the Emergency Fleet Corporation, either directly or through correspondence, since the 1st day of January, 1918, in behalf of any person, firm, or corporation, asking for any official action upon the part of the United States Shipping Board or the Emergency Fleet Corporation, or any officer or official thereof, then supply the Senate fully with such information, together with the correspondence, if any, thereon.

The PRESIDENT pro tempore. Is there objection to the present consideration of the resolution? The Chair hears none.

SPEECH OF SENATOR JAMES A. REED.

Mr. MOSES. Mr. President, a parliamentary inquiry.

The PRESIDENT pro tempore. The Senator will state the inquiry.

Mr. MOSES. By which clock is the Presiding Officer going, the one which he faces or the one behind him?

The PRESIDENT pro tempore. The Chair does not feel that he is called upon to announce in advance a decision about

the timepiece. Is there objection to the present consideration of the resolution? The Chair hears none.

Mr. MOSES. Mr. President, is the resolution now debatable? The PRESIDENT pro tempore. It is debatable after 1 o'clock.

Mr. MOSES. Mr. President—

The PRESIDENT pro tempore. The hour of 1 o'clock having passed, the Chair recognizes the Senator from New Hampshire.

Mr. MOSES. Mr. President, I shall not repeat to the Senate nor for the edification of the galleries what I said before about the rupture of the unbroken custom of printing in the RECORD upon request any speech delivered by any Senator on any subject anywhere. But since the sensitive leader of the minority—I am not sure that it is the minority, however, in view of recent events—since the titular leader of the minority has objected to printing in the RECORD the report of a speech delivered by the senior Senator from Missouri [Mr. REED] in the city of St. Louis last night, in pursuance of a campaign which the senior Senator from Missouri doubtless deems to be well advised, and being wholly unwilling that the readers of the CONGRESSIONAL RECORD should lose the vigorous language and terse arguments presented by the senior Senator from Missouri, I shall have to read the speech as it appears on the front page—

Mr. ROBINSON. Mr. President—

The PRESIDENT pro tempore. Does the Senator from New Hampshire yield to the Senator from Arkansas?

Mr. MOSES. I yield to the Senator.

Mr. ROBINSON. Does not the Senator think that the matter should be discussed in the Senate, and that all political speeches made by candidates for the Presidency upon both sides should be discussed in the Senate?

Mr. MOSES. We have had all sorts of discussions of all kinds of speeches. There are Senators here who seem to make of a speech delivered anywhere in the country a text for a sermon in the Senate. This, however, is an absolutely unique situation. This is a candidate for the Presidency from the Senator's party, the only announced candidate on the other side of the Chamber. I beg the pardon of the Senator from Alabama [Mr. UNDERWOOD], who is not here; but if he should deliver a good speech I certainly would not object to having it printed in the RECORD.

Our practice has been to print speeches of Senators, it makes no difference what the subject matter nor where delivered nor under what circumstances. Invariably the speech of a Senator is printed in the RECORD, and this one is going to be printed in the RECORD, because I am going to read it.

Mr. HARRISON. Mr. President, may I ask the Senator a question before he proceeds?

Mr. MOSES. I yield to the Senator from Mississippi.

Mr. HARRISON. The Senator would not object to printing in the RECORD some speeches made by the Senator from California, Mr. HIRAM W. JOHNSON—

Mr. MOSES. I have not the slightest objection, Mr. President.

Mr. HARRISON. The Senator did not wait until I finished. I was referring to the Senator from California, for whom some papers report the Senator from New Hampshire as being in favor of for President, while other papers quote him as being against him.

Mr. MOSES. Oh, I have not the slightest objection. Those are speeches the Senator wants to have printed in the RECORD?

Mr. HARRISON. Yes; they are some speeches of the Senator from California [Mr. JOHNSON]. The Senator will have no objection to those being inserted in the RECORD?

Mr. MOSES. Certainly not. I will not object to printing in the RECORD the speech of a Senator made anywhere.

Mr. FLETCHER. Mr. President, may I inquire of the Senator whether he knows that the report he has is a correct report of the speech delivered?

Mr. MOSES. I prefaced by saying that I should read it as it appeared in the New York Tribune of this morning, which, being a reputable newspaper, I presume is fairly correct.

Mr. FLETCHER. I do not know that that is a sufficient verification of the truth of the report.

Mr. MOSES. The headlines:

McADOO HIRED FOR INFLUENCE, REED ASSERTS—NOT EMPLOYED BY DOHENY AND MORSE FOR LEGAL ABILITY, SAYS SENATOR OF RIVAL FOR NOMINATION—"WHEEDED MONEY FROM GOVERNMENT"—EX-SECRETARY GOT HALF OF \$100,000 SHIP BOARD GAVE FIRM IS CHARGE.

St. Louis, February 25.—United States Senator JAMES A. REED, in formally opening his campaign for the Democratic presidential nomination at a mass meeting here to-night, declared that in his

opinion "not one-tenth of the corruption and iniquity which has existed is yet laid bare," in referring to the oil disclosures.

He charged that William Gibbs McAdoo, former Secretary of the Treasury and an opponent for the nomination, expected to receive \$1,094,000 in "legal fees" from E. L. Doheny, oil magnate; the Charles W. Morse interests; and motion-picture concern, although he "did not appear in a single lawsuit."

MAKES BRIBERY CHARGE.

The Senator reiterated his platform and reviewed the oil scandal at length. He said the disclosures—

"warranted in saying that the people of the United States were, by bribery, deprived of these great oil deposits upon which the Nation must rely in the hour of extremity.

"Facts are being constantly exposed and when the whole foul mess is known the American people will be convinced of the supreme necessity of purging the Government and driving from power every tainted man.

"The evidence thus far taken involves the Attorney General to a certain degree and his department will be rigidly investigated."

His speech in part follows:

"I am asking the indorsement of the Democracy of Missouri and of the Nation for the presidential nomination.

"Mr. McAdoo publicly announced he did not intend to enter the list against any home candidate, but, for reasons which are doubtless satisfactory to himself, he has singled me out as an exception to his general rule. He comes into the State of Missouri and is receiving some support.

"Having been invited into the arena, I come and give my reasons why the attorney for Mr. Doheny should not receive the indorsement of the Missouri Democracy.

DOHENY'S QUEST FOR INFLUENCE.

"Mr. Doheny came to Washington. He was in search of influence, and to obtain it was willing to expend large sums of money. Mr. Doheny took into his employ five Cabinet or ex-Cabinet officers. I do not say these lawyers were corrupt. I do say that with the possible one exception, Garrison, they were not employed for their legal ability.

"Doheny swore that he employed McAdoo shortly after he left the Cabinet, which was on December 18, 1918.

"For his services at Washington Mr. McAdoo was paid \$100,000. He was removed from that field of endeavor when the Democratic administration was succeeded by the Republican administration. Such is Doheny's own testimony. It remains uncontradicted.

EMPLOYMENT BY MORSE.

"But Doheny was not the only man who bought influence. There was Morse, who hired lawyers and paid them in commissions on coal contracts with foreign governments.

"Morse will be remembered as the gentleman who wrecked a string of banks and got into the penitentiary.

"Singularly enough, the same lawyer who convinced President Taft that Morse's complexion, which was superinduced by a diet of soap, indicated a speedy death by Bright's disease, now sits in the Cabinet as Attorney General of the United States.

"After his release from the penitentiary Morse proclaimed himself a patriot and organized a concern to build ships. For his transactions with the Government he was indicted. On Mr. Morse's trial Mr. McAdoo appeared and testified for the defense. McAdoo's sworn testimony disclosed that either before or shortly after he resigned as Director General of Railroads he became a member of the firm of McAdoo, Cotton & Franklin, and that he resumed the practice of law June 1, 1919.

READ BRIEF BY ANOTHER.

"About 90 days after McAdoo left the Government employ he entered the employment of Morse's companies. It should be noted that McAdoo's partner, Cotton, had been the attorney for the Emergency Fleet Corporation, and therefore for the Shipping Board.

"Shortly after entering Morse's employment, Mr. McAdoo appeared before the Shipping Board on behalf of Morse's company and read a brief prepared by a lawyer named Gordon. He does not appear to have got very far with that case, the fact being that the Emergency Fleet Corporation contended that McAdoo did not know the facts of the controversy he was talking about.

"On December 31, 1919, the transport company made a contract to pay McAdoo's firm 75 cents a ton on approximately 400,000 tons of coal to be shipped to the Italian Government.

"The aggregate total expected to be shipped was 844,000 tons.

"The amount expected to be collected by McAdoo was \$744,000.

"As a matter of fact, the coal actually shipped realized an indebtedness to the McAdoo firm of \$165,712.64. The lawyers only got \$33,304.45 in cash and some bad notes for the balance.

"Going along with these lucrative engagements was the employment by the moving picture people at an annual fee of \$100,000.
 "The total of fees thus far discovered which McAdoo expected to realize was \$944,000.
 "To this must be added the Doheny fees of \$150,000.
 "Total \$1,094,000.

DID NOT APPEAR IN SUIT.

"For all this McAdoo did not appear in a single lawsuit. He was dealing for the most part in his domestic transactions with men who had been part of the administration when he was a member of the Cabinet.

"Thereupon McAdoo undertook process with which he was more familiar. He appealed to John Barton Payne, chairman of the Shipping Board, to advance to the Morse company \$100,000, representing that it was necessary to have this money in order to prevent a receivership for the company. He evidently succeeded in convincing Judge Payne that the payment of this money was absolutely necessary to save Morse's company from bankruptcy.

GOT HALF OF MONEY.

"The money thus paid over was Government money. It was paid over on the claim that it was necessary to prevent bankruptcy. Nevertheless McAdoo charged and received for securing the \$100,000 to prevent bankruptcy a fee of \$50,000.

"I pause to inquire was he then engaged in ordinary legal service or in wheedling money out of the Government he had just served?

"The Groton Iron Works is another Morse company. It was in the hands of a receiver. In September, 1919, the same month Mr. McAdoo had earned the \$50,000 fee I have just mentioned, he took up with the Shipping Board the question of lifting the receivership of the Groton Iron Works. As a result a contract was made between the Shipping Board and the United States Transport Co. (a Morse company) for the purchase of the vessels constructed at the Groton Iron Works under prior contracts with the Emergency Fleet Corporation. For this service McAdoo's firm charged the Groton Iron Works \$50,000. It was claimed, however, that this sum actually was not paid.

NOT "LEGAL WORK."

"Again we observe that the work done is not what is ordinarily called 'legal work.' It consisted in securing action by the Government favorable to the Morse company.

"On December 30, 1919, Morse, his sons, and William Guggenheim, constituting the board of directors of the United States Transport Co., approved a contract to pay McAdoo's law firm \$1 a ton on 444,000 tons of coal contracted to be shipped to France, Morse stating that the fee was in connection with negotiations of the French coal contracts.

"In his dealings with the French and Italian Governments he was transacting business with Governments to which he had shelled out American dollars during the war.

"But McAdoo called his cohorts together in solemn conclave at Chicago. He submitted to them, to their decision, the question: 'Am I an asset or a liability?' He admitted substantially all that Doheny had said except that he insisted he only got \$150,000 from Doheny instead of \$250,000, as Doheny had said. And thereupon, for no other apparent reason than that the amount had been reduced, these distinguished gentlemen set up a pean of praise for McAdoo. With them it was the size of the fee, not its character."

Mr. President, I feel that I ought to apologize to the distinguished senior Senator from Missouri for not having been able to give to his words the force which I am sure he employed when uttering them at St. Louis last night.

Mr. HARRISON. Mr. President, before the Senator takes his seat may I ask him if he has a full copy of the speech of the senior Senator from Missouri, and if so, whether he would have any objection to putting it in the RECORD?

Mr. MOSES. An entire copy?

Mr. HARRISON. A copy of the entire speech.

Mr. MOSES. Oh, not the slightest, but I am afraid the senior Senator from Arkansas [Mr. ROBINSON] would object.

ARTICLE BY SENATOR STANFIELD AND SPEECHES BY SENATOR HIRAM W. JOHNSON.

Mr. HARRISON. I desire to read—it will not take long—from the Oregon Daily Journal of Tuesday, February 19, a very recent issue. The article is headed "McAdoo is given clean bill by Senator STANFIELD," and reads:

Insisting that "McAdoo was not in any way involved with the transaction between Doheny, Sinclair, and Secretary Fall," and that "President Coolidge has shown his fairness in selecting former Senator Atlee Pomerene as one of the legal investigators of the so-called oil scandals," and has thus "pulled him from the quagmire of senatorial

defeat and given him the opportunity of coming before the American people," Senator R. N. STANFIELD, in Portland for a day, gave his impressions of recent developments in Washington and in national politics.

I am quoting Senator STANFIELD, the junior Senator from Oregon. It is needless for me to say that he is a Republican. I continue the reading:

"I am a member of the Public Lands Committee that has been conducting the investigation of the national oil leases," Senator STANFIELD said. "Up to date we have discovered nothing more than a number of suspicious circumstances. Many good names have been drawn into the scandal that are entirely irresponsible for any wrongdoing, if there was wrongdoing. McAdoo was not in any way involved with the transaction between Doheny or Sinclair and Secretary Fall."

Mr. President, I ask unanimous consent to have inserted in the RECORD some speeches, including the newspaper headlines, which have been made by the Senator from California [Mr. JOHNSON] in his campaign for the Presidency.

The PRESIDENT pro tempore. Is there objection? The Chair hears none, and the matter will be printed in the RECORD. The speeches referred to are as follows:

JOHNSON ATTACKS MOTIVES OF FORD IN COOLIDGE PLEA—ASKS WHAT LED MANUFACTURER TO CHANGE AFTER HE DENOUNCED GORGAS PLANT SALE—SEES PSYCHOLOGICAL SHIFT—AND WINDS UP BY REMARKING THAT FORD IS "A MARVELOUS BUSINESS MAN"—PRESIDENT WILL REPLY—FRIEND PREDICTS THAT A RETORT FROM WHITE HOUSE WILL BE ISSUED PROMPTLY.

[From the New York Times, December 23, 1923.]

WASHINGTON, December 22.—Senator HIRAM JOHNSON issued today a statement questioning the motives of Henry Ford in indorsing President Coolidge, and intimating that he was induced to announce his approval of the President by the introduction of Representative MADDEN's bill to sell Muscle Shoals and the administration's tax reduction proposals, characterized by the California Senator as favorable to big business.

Senator JOHNSON issued the statement after conferring with his advisers, and after it became known that Mr. Ford had turned his influence actively for Coolidge delegates in Michigan. The statement reads:

"American politics present a most interesting psychological study. Henry Ford has declared for Mr. Coolidge because, as he says, Mr. Coolidge is 'safe.' Immediately the part of the press of the country representing special privilege, which has always denounced and caricatured Mr. Ford, gives him a certificate of character, and with open arms welcomes him to its ranks.

"Perhaps the time is propitious for Emma Goldman and Bill Haywood to return, declare for Mr. Coolidge, and be acclaimed by the same special privilege press. But in the light of Mr. Ford's previous utterances, just when did Mr. Coolidge, in Mr. Ford's opinion, become 'safe'?

"On the 13th day of October, after Mr. Coolidge had been in office for more than two months, and when Secretary Weeks had sold what Ford claimed to be a part of the Muscle Shoals project, Mr. Ford denounced in unmeasured terms the Secretary of War, and inferentially the administration, as being under the control of private interests inimical to the farmers, and the Secretary of War made an angry rejoinder.

CITES THE MADDEN BILL.

"Obviously, according to Mr. Ford, the administration of Mr. Coolidge was then unsafe and didn't even wish to do right. Thereafter Congressman MADDEN gave to the press the outline of a measure he would introduce in Congress, apparently for the administration, designed to give Mr. Ford Muscle Shoals and a plant of like character to that sold by Weeks. The message of the President on the 6th day of December was not inimical to this idea. Mr. MADDEN's bill was then introduced and is now pending. On the 19th day of December Mr. Ford gives out his 'safe' interview.

"If his administration were under the influence of private interests on the 13th day of October, as Mr. Ford plainly said to the American public, what occurred between the 13th day of October and the 19th day of December to transmute the bitter denunciation of Mr. Ford against the administration then into enthusiastic advocacy now?

"Mr. Ford is entitled, of course, to his political opinions; equally, of course, these opinions can not control a Republican nomination. Mr. Ford was for Mr. Wilson when Mr. Wilson was President. Mr. Ford was for Mr. Harding when Mr. Harding was President. Mr. Ford is for Mr. Coolidge while Mr. Coolidge is President. Mr. Ford is a marvelous business man."

COOLIDGE EXPECTED TO REPLY.

Administration advisers are confident that President Coolidge will reply to the arraignment of himself in the Johnson denunciation. It was said by a personal friend of the President that he would not allow the statement to go unanswered, and a formal reply is expected at once.

Some political observers say that the outburst of Senator JOHNSON instead of increasing his strength will prove a boomerang.

The campaign managers for President Coolidge are not disturbed by the Johnson attack. They say the country is becoming stronger each day for the President, especially in States where radical doctrines less than a year ago swept the party from its moorings.

Politicians recall the admission made a few days ago by Frank H. Hitchcock, manager for Senator JOHNSON, that the administration was assured of the southern Republican delegates. Mr. Hitchcock told his progressive followers that he would contest for delegates in North Carolina and Alabama only.

Mr. Slemp, accompanied by Richard Whaley, president of the rent board, left to-night for a 10-day vacation, which will be spent in playing golf in North Carolina and Florida. He is expected to look over the political field in the South.

FAIR PLAY IGNORED BY G. O. P. IN INCREASING DELEGATES, IS JOHNSON'S CHARGE—SOUTH UNDESIRING OF FAVORS CONFERRED, SENATOR CHARGES, CITING LIGHT HARDING VOTE—BITTERNESS IS PROJECTED INTO G. O. P. RANKS, AND TROUBLESOME FIGHT AT CONVENTION LOOMS—BREACH BETWEEN ADMINISTRATION FORCES AND CANDIDATES, AVOWED AND RECEPTIVE, IS WIDENED.

[From the Cincinnati Enquirer, December 14, 1923.]

WASHINGTON, December 13.—Action of the Republican National Committee yesterday in reversing the program for reapportionment of delegates to the Republican National Convention next June, demanded by the last Republican convention and recommended by the subcommittee appointed to carry out the instructions of that convention, has widened the breach between administration forces and friends of other active and receptive candidates for the Republican presidential nomination.

Unless the storm that has been raised by the eleventh-hour shift of a majority of the committee dies down to a mild flurry by the time the convention convenes the national committee has produced a situation that promises to be exceedingly troublesome in that convention.

As was anticipated yesterday, Senator HIRAM JOHNSON of California, opponent of President Coolidge, in a vigorous statement to-day branded the act to be "repugnant to every sense of fair dealing and just representation."

TO BE CAMPAIGN ISSUE.

That he will embrace this issue in his campaign in the Northern and Western States is not doubted for a moment, and the additional ammunition it has given to him will be employed to the limit in his pre-convention campaign.

His feeling is shared less openly by other prospective candidates and their friends, who are asserting that it was done under pressure of White House influence and in the interest of the candidacy of President Coolidge.

The President demonstrated twice during the national committee session that he and his friends are in control of party machinery, the first time when he induced Fred W. Upham, of Chicago, to withdraw the entry of Chicago as a contender for the convention, thus paving the way for the selection of Cleveland, and the second time in the reapportionment decision.

TEXT OF STATEMENT.

Senator JOHNSON'S statement, issued after conference with Frank H. Hitchcock, his campaign manager, was as follows:

"The unfair and unjust representation from Southern States in the Republican National Conventions and the scandals connected with delegates from certain of those States, after many years of agitation led finally to the resolution of June 13, 1920, of the Republican National Convention, directing the Republican National Committee within a year to adopt a just and equitable basis of representation in future conventions.

"Within a year the national committee did adopt a new basis of representation and ever since the Republican National Committee has distributed, as part of its literature, the representation thus agreed upon.

MEANING IS ILLUSTRATED.

"I take two States as illustrating what was done and what now has been undone. South Carolina polled 2,600 votes for President Harding; Mississippi 11,500 votes. Under the mandate of the Republican National Convention, South Carolina was awarded four delegates and Mississippi four.

"The former action yesterday was rescinded, the mandate of the last Republican convention contemptuously ignored, and South Carolina now is given 11, and Mississippi 12, a total for the two States polling 14,000 Harding votes of 23 delegates.

"In these States there is no real political party. There is nothing Republican in them except a few officeholders, absolutely under the direction and control of the administration.

"South Dakota polled 110,000 votes for Harding and is given 13 delegates. Michigan polled 702,000 Harding votes, 50 times as many as South Carolina and Mississippi, and is given only 33 delegates. Nebraska polled 350,000 Harding votes, nearly 18 times as many as these two Southern States, and has 19 delegates. Indiana with 606,000 Harding votes, 45 times as many, has 33 delegates; California, polling 625,000 Harding votes, 44 times as many, is given 29 delegates. New Jersey with 611,000 Republican votes is given 31 delegates.

"And so it runs throughout the list of Republican States. The Republican States are penalized. The Southern States, where there is no Republican Party, and where delegations sometimes are a farce and a scandal, are rewarded. The resolution of the national convention has been discarded, the will of the Republicans of the party flouted.

CALLS ACT REPUGNANT.

"This kind of politics needs no characterization. The campaign commences with an act repugnant to every sense of fair dealing and just representation."

It has not been determined whether or not the Johnson organization will carry the fight against the committee's action yesterday to the national convention, although Senator ROBERT B. HOWELL, Nebraska, who yesterday fought the committee's decision, believes that this could be done successfully. Senator HOWELL takes the position that the committee, having reduced the southern representation within a year, as ordered by the 1920 convention, had no power at its meeting yesterday to reopen the question.

JOHNSON OPENS CAMPAIGN WITH ATTACK ON WORLD COURT PLAN—INSISTS UNITED STATES WOULD ULTIMATELY BE DRAWN INTO LEAGUE; CALLS TAX REDUCTION ISSUE "SMOKE SCREEN"; FAVORS BONUS; CRITICIZES ARMS SALE.

[From New York Tribune, January 4, 1924.]

CLEVELAND, January 3.—Senator HIRAM JOHNSON, in a frontal attack on the administration, opened his campaign for the Republican nomination for President here to-day. His utterances were taken to be virtually the platform on which he will carry his fight throughout the Nation. The full text of his address follows:

"I have no apologies to make for the rôle in which I appear here to-night. As an American, I am exercising an American's prerogative. I am exercising that prerogative not only because it is my pleasure to do so, but in response to requests from practically every State in this Union. I am here to-night under the auspices of men and women whose citizenship is a real and precious thing to them, with whom service to their common country is superior to all else, and who, while Republicans, have ever maintained their political and their personal independence. I am proud under their auspices to speak in this city and to the citizens of this State.

"Our appeal is made primarily to Republicans, but it concerns all who believe in popular government, and who foresee that a successful assault upon popular government may shake the very foundation of our institutions.

BEGINS IN "GOOD HUMOR."

"I begin this contest wholly philosophically and in entire good humor; but during its progress I shall not hesitate, as in every other political contest in which I have engaged, to express myself concerning policies with such force and emphasis as I can command, and without regard to whether my words shall be pleasing or soothing to those in positions of power, who arrogate to themselves the right to rule the rest of us.

"I have recently observed that certain people, including the distinguished Detroit manufacturer, have deplored that we should have an election this year, and perhaps at all; and many politicians rather hysterically denounce me because I have interfered with the serenity of the occasion, and have not permitted their plans for a nomination by default to be consummated. These gentlemen look upon the fundamental American right of your participation and mine in our politics as a sort of lese majesty, an unwarranted interference with their prerogative to rule, and a sacrilegious effort to prevent the divine right of succession.

"I shall not concede that collectors of revenue, United States marshals, postmasters, and other officeholders and politicians, high and low, who 'bend the pregnant hinges of the knee that thrift may follow fawning,' may themselves alone nominate candidates for the Presidency. I grant that they may sometimes succeed in nominating them, but I deny this is their exclusive privilege. And in the very inception, therefore, of this contest in a matter of utmost importance comes the clash of views.

"I demand that the rank and file of the Republican Party shall be consulted concerning the Republican nomination for President

and that the will of the rank and file shall prevail. The leaders upon the other side, by manipulation and otherwise, would have a different rule, and they have demonstrated by their recent actions their contempt for the men and women who in reality constitute the Republican Party. I ask no more than that the Republicans of the Nation shall nominate their candidate for President. Republicans should accept no less.

FEARS "POLLUTION" IN NAMING DELEGATES MAY "TAINT VERY CONVENTION ITSELF."

"I believe in direct primaries and in direct legislation. Our opponents do not. I insist that the Republicans in Ohio shall have an equal right in determining the nominee for President with the Republicans in South Carolina. Obviously, our opponents do not so believe. At the initial stage of this campaign belief in popular government stands in opposition to belief that government belongs to the few who, because they possess it for the moment, ruthlessly perpetuate themselves in power.

"The selection of a President begins with the apportionment of delegates to a national convention. Just as pollution at the source of a stream will pollute the whole stream, wrong and injustice in the selection of delegates to a national convention will permeate and taint the very convention itself.

"The selection of delegates from certain of the Southern States had become so corrupt and had created so many scandals that finally the Republican National Convention in 1920 passed a resolution commanding within a year the Republican National Committee to adopt a 'just and equitable basis' of representation in future national conventions. The national committee obeyed and within the year acted, and while its action did not constitute 'a just and equitable representation,' nevertheless, it reduced the delegates in Southern States where there is no Republican Party.

ACTION IS NULLIFIED.

"The reduction was a mere step in the right direction. It did not do justice to the real Republicans, but it furnished the basis for further reductions. This work of the national committee solemnly done after full hearings a few days ago in Washington, under the orders of our opponents, was nullified, and the scandalous and unfair representation accorded Southern States in past conventions was again given them.

"I speak of this outrageously unfair selection of delegates because there is a real service that we can render both our party and the Nation and because there is a fundamental principle at stake. The service we may render is to have conventions which honestly express the will of the Republican Party, and beyond that the principle for which we strive is that this Government belongs to all its people, the Republican Party belongs to all its members, the people themselves are entitled to govern the country, just as the membership of the Republican Party is entitled to govern that party.

DISCREDITED OFFICEHOLDERS.

"Nine Southern States—Alabama, Arkansas, Florida, Georgia, Louisiana, Mississippi, South Carolina, Texas, and Virginia—polled 489,000 votes for President Harding. These nine Southern States have 134 delegates to the Republican National Convention. Ohio polled 1,182,000 votes for President Harding, and Ohio has 51 delegates to the Republican National Convention. Ohio polled two and a half times as many Republican votes as the nine Southern States, and these nine Southern States have more than two and a half times as many delegates as Ohio.

"The State of South Carolina polled for President Harding 2,600 votes and has 11 delegates to the Republican National Convention. Ohio polled 450 times as many Republican votes in 1920 as did South Carolina, and yet by the apportionment of delegates 1 Republican in South Carolina, where there is no Republican Party and where delegates are chosen by a few discredited Federal officeholders, equals more than 100 Republicans in Ohio in the councils of the Republican Party.

REPROACH TO PARTY.

"There is not the remotest possibility of a single Republican elector being chosen in any one of these nine Southern States, and yet the Republican National Committee recently, after it had reduced South Carolina to four delegates, and other Southern States in like fashion, with a hysterical fear of what would happen in States where there is the right of expression concerning the nomination for President, deliberately increased the representation again, contemptuously repudiated the mandate of the national convention of 1920, and broke faith with the rank and file of the Republican Party all over the land. These southern delegates are selected, as you know and as I know, by commands issued in the city of Washington to a very few Federal officeholders in the different States. A nomination by delegates thus selected, in number greatly disproportionate, is a reproach to the Republican Party.

"Our democracy is but an iridescent dream if year after year we permit a few bosses either to deny the right of expression to all the electors or where that expression is given to thwart it by hand-picked southern delegates. Popular government in those States where there are no primaries is a sham and a farce. A nomination made by delegates from States without presidential primaries in conjunction with purchased and hand-picked delegates from Southern States is not made by the will of the party but in spite of it. The recent action of the Republican National Committee is a reversion to the abhorrent conditions from which we thought we had emerged. It is this system upon which we war, and it is this system I challenge in this campaign. It is, in the last analysis, a test of popular government.

ATTACKS DECISION TO SELECT ALABAMA DELEGATES WITHOUT HOLDING PRIMARY.

"In Alabama the legislature has enacted a primary law. It is a peculiar law, doubtless designed to meet certain local conditions, but nevertheless it is a law under which the State guarantees an expression by its citizens of their preference for candidates for President. I have gone to the trouble, even in Alabama, to comply with that law and submit my candidacy to those who claim to be Republicans. Quite appropriately our opponents scoff at any right of ordinary people to participate in a nomination, and they have decreed that a State committee shall select Alabama's delegates to the Republican convention.

"In South Dakota it has taken two decisions of the supreme court of the State to enable me to get on a ballot. Our opponents were able to manipulate a small convention there, but fortunately that manipulation has forced them upon the ballot. I'll take my chances with the people of South Dakota, and we will demonstrate there in a primary that manipulation of a convention is totally dissimilar from the voting of a populace. We are in the open, asking only a chance for fair contest before the Republicans of the Nation. You may not sympathize with our aspirations, but as Americans loving fair play and the square deal you can neither sympathize with nor tolerate a system that makes a hundred of you only equal to one South Carolinian, and that would negative and nullify the free expression of those who make the Republican Party and win its victories.

"In olden days, when exactions and tyranny produced unrest and discontent which threatened internal dissension, kings invariably adopted the method of diverting or distracting the discontented and restless subjects by amusing them with foreign war. In the alluring picture of the glories of victory and the loot of conquest peoples forgot the wrongs they had been so eager to redress and monarchs again serenely went upon their way.

"In our day the modern policy for distracting and diverting the people, a little more subtle and perhaps more efficacious than that of olden times, is by appealing to cupidity and in the persuasive lure of material gain, causing all else to be forgotten. The philosophy of some powerful politicians to-day is that the 'tinkle of the guinea heals the hurt that honor feels,' and that the national conscience may be dulled, even dismissed, by the hope of money profit. I do not quarrel with the political strategy which transmutes what obviously had to be done, and would be done, into an entirely new discovery. I do not even criticize the other side of this contest for creating a beautiful mirage with a tax program which is designed to blind our people to everything domestic in character and obliterate the memory of our lack of foreign policy. The strategy, doubtless, from the standpoint of playing the game, is perfect. Is our intelligence sufficient to understand it?

TAX REDUCTION NO ISSUE.

"There can be no political issue on reduction of taxes. Everybody would reduce the expenditures of government to the least possible sum, and collect from the people only that sum. No one believes in high taxation. Everybody wishes low taxation and everybody believes in reduction of taxation. To inject as a false political issue into a campaign tax reduction is to cuttlefish the political waters so that nothing else may be seen. Let me ask the newspapers crying so loudly for the Mellon plan, the organizations that have been stimulated into activity for it without understanding it, and all the propagandists of big business, if you had to choose between reductions on small incomes and reductions on large incomes how would you stand? I venture the assertion that if the reduction of taxation of small incomes only were involved, there would be no propaganda, no pretended political issue about tax reduction."

URGES NATION CAREFULLY TO EXAMINE MELLON'S PLAN FOR TAX REDUCTION.

"Our Government overtaxed its people in the last year, and we find a surplus on hand of \$350,000,000. It is perfectly obvious that no government has the right to overtax its people, and it

is equally plain that with a surplus of \$350,000,000 we should meet our just obligations and we should reduce taxation just as much as it can be reduced. We must correct the condition of affairs by which we collected more than we should have collected in taxation, and we can only correct this condition of affairs by reduction of taxation.

"Just after the adjournment of Congress last year, in March, I believe, the chairman of the Ways and Means Committee of the House wrote the Secretary of the Treasury upon the subject of the reduction of taxes. The Secretary of the Treasury delayed his answer and replied finally in November, seven months thereafter, just before the meeting of Congress, and since then we have had before us in one form or another suggested plans for the reduction of our taxation.

FORMER ESTIMATE WRONG.

"At the commencement of any discussion of this plan let me recall to you that the estimate of the Secretary of the Treasury was that we would have a deficit of many more hundreds of millions than our present surplus amounts to, and upon this statement of a deficit the action of the late President Harding was predicated. Instead of a deficit we now have the surplus of \$350,000,000. While, of course, the Treasury Department should not be subjected to criticism in any degree for an error in its estimate our experience with its former estimates would lead us as reasonable and prudent men to scrutinize with care its present estimates.

"We have never in this country had anything like the propaganda we now have in behalf of the so-called 'Mellon plan.' It was propaganda most carefully prepared and skillfully stimulated. It demands without the slightest knowledge of detail that the plan forthwith be adopted. We have encountered in this matter the very replica of what we encountered originally in the early days of the propaganda for the League of Nations. I recall how very good people would rush at us right after the promulgation of the league and hysterically ask if we did not wish to prevent war, and when timidly we responded affirmatively they would demand that we favor the League of Nations.

KNOW NOTHING OF PLAN.

"Recently interested parties have rushed at us concerning the tax proposition, demanded to know if we did not wish to reduce taxes, and when in common with all others we said that was our desire, they insisted forthwith the Mellon plan must be adopted. If we asked them what the Mellon plan was, none of them knew. But there was profit in it and profit is mighty appealing.

"There are 13,600,000 people in this country who pay taxes on incomes less than \$10,000; there are only 330,000 who pay taxes on incomes over \$10,000. The men who pay on incomes of \$250,000 will save under the so-called 'Mellon plan' \$49,000 a year. He who pays on \$300,000 will save \$63,000 a year; these who have incomes of \$500,000 will be required to pay \$117,000 less. The fortunate ones who have an income of \$1,000,000 will save by the Mellon plan \$252,000 a year, and the few who pay on an income of \$5,000,000 will save \$1,330,000 a year.

BELIEVES BONUS NO LONGER DEBATABLE, BUT SAYS TAXES CAN BE CUT, TOO.

"Who is it that is indulging in this propaganda that is sweeping over the country to-day, that is filling every newspaper and at the head of which are our bankers and the United States Chamber of Commerce? Do you imagine that it is the man who, by a reduction of taxes, will save \$10 or \$30 or \$50 or \$100, or do you think it is the individual who will save \$30,000, \$50,000, \$100,000, \$200,000, or \$300,000? The concern of this tax scheme is not for the man of small income, who can least bear the burden, but the concern is for those of large incomes, who can best bear that burden. And they would have us forget our pledged faith and violate our promise in order that the full reduction sought might be accorded them.

"I would not have you misunderstand me at all.

"I would reduce the taxes of all of the people whenever it is possible to do so and keep our faith at the same time. In the matter of taxation, as in all other matters, I would be scrupulously just to men of large incomes and of big business, but I recognize that great riches and big business have a happy faculty of looking out for themselves. Those of small incomes and small business must rely upon their Representatives. We would not be unjust to any, but we would begin tax reduction with the people who are least able to pay taxes.

BONUS NOT DEBATABLE.

"A part of the propaganda, particularly among those of big business interests, is directed against the so-called soldiers' adjusted compensation bill. From my standpoint this subject is no longer debatable. With very few exceptions the leaders of the Republican Party have pledged themselves and the party to the passage of this act. The late President Harding, just before

the close of the campaign in 1920, in a speech at Cincinnati, unequivocally indorsed it. Subsequently, because of the Treasury estimate of a deficit, he vetoed it. It was denied then because we did not have enough to pay it. Upon the floor of the United States Senate the chairman of the Finance Committee pledged the Republican Party to the passage of the bill. The Senator from Indiana [Mr. Watson], speaking for the administration, said, in so many words, it would be passed at the next session of Congress. The leader of the Republican Party in the Senate, the Senator from Massachusetts [Mr. Lodge], has declared himself and, so far as he could, his party for it. The whip of the Republicans in the Senate, the Senator from Kansas [Mr. Curtis], has done likewise. The Republican Party has its faith avowed, and I would rather make no reduction in taxes upon large incomes than that our pledged faith should be violated. But we can pay the sums due under the adjusted compensation bill and reduce taxes, too. We have a surplus of \$350,000,000.

URGES KEEPING OF PLEDGE.

"During the debate upon this adjusted compensation bill the estimate of the Treasury was that the first year the amounts to be paid under the adjusted compensation bill would be less than \$100,000,000. We can reduce all of the taxes now existing on incomes under \$10,000 exactly as in the plan presented, and we can reduce other taxes in some degree, and we also can keep our promise to pay the soldiers their due.

"The matter becomes, first, one of good faith and one of keeping a definite pledge. Before this extraordinary propaganda it was not difficult to argue for the adjusted compensation bill; but now, against our pledged word, is the saving suggested in a reduction of taxes upon incomes which do not necessarily require reduction.

"Let us not forget that the principle of adjusted compensation is a principle that our Government has already firmly established. We adopted that principle in regard to the business of the country. Congress passed a bill by which the compensation of those who were engaged in war contracts with the Government which ceased with the termination of the war was adjusted.

PRINCIPLE ADOPTED.

"We adopted the principle of adjusted compensation for the railroads of the land. The mining interests were taken care of by the war minerals act, and every business engaged with the Government during the war was compensated by the Government. Upon this principle of adjusted compensation we have paid out something near \$3,000,000,000. Business insisted upon the principle of adjusted compensation, and business received the benefit of adjusted compensation. Business would now deny the same principle to the man who bared his body to shot and shell across the sea.

"When business sought to have its losses made good, and when the Government of the United States responded to its appeal, there was no cry about commercialized patriotism, no self-righteous stuff about fighting for the country's cause and seeking no other reward. There was the insistent demand by those dealing with the Government for compensation for money recompense for injury or loss or damage, although business during the war, you and I know, in many instances, profited far more than in any other period in history.

RECOGNITION DESERVED.

"This is not a question now of commercialized patriotism of the men who fought the war. This is a question of deserved recognition, in small degree, and that recognition is payment by the Government of an adjusted compensation. Contrast the \$30 per month received by the soldier during the war with what those at home made during that period.

"O, ye business men, who protest against recognition of the soldier now, remember your attitude then, and remember you might not have had any business demanding that it receive its adjusted compensation from the Government but for the lad who was fighting in your behalf for \$30 a month. Out of the \$30 a month from many of them \$15 were taken as an allotment for relatives and \$6 a month to pay insurance, so that out of \$30 a month the soldier had left, in many, many instances, an average of \$9 a month, or 30 cents a day. He asks now pitifully small adjustment of the disparity in what was paid him and what was paid those who stayed at home; and he ought to have it in recognition of his service and his valor, his privations and his sacrifices, and it ought ungrudgingly to be given. And some business men paying taxes upon incomes of \$100,000, \$200,000, \$500,000, or \$1,000,000 per year would deny it.

ATTACKS MILLIONAIRES WHO "PRATE ABOUT COMMERCIALIZED PATRIOTISM."

"Not only was the principle of adjusted compensation recognized by our Government and accepted by our business men, and not only was the money paid to that upon that principle, but the

Government of the United States during the war and for some months thereafter actually paid a bonus to its civilian employees.

"We paid \$20 a month during the war as a bonus, and we have paid to our employees in this bonus more than double the sum that is asked by the soldiers of the Republic. Certain of the great captains of industry in this Nation, those whose incomes are beyond the dream of avarice of the ordinary man, prate and prate again about commercialized patriotism. When these gentlemen have paid back into the Treasury of the United States the profits they made during the war they may be heard about commercialized patriotism, but until that day arrives let them keep silent on the pitiful sum that is asked by the men who sheltered them and their business and enabled them to make their unholy profits.

"And, remember, this adjusted compensation bill can be passed and the sums due under it paid by the Government and taxes reduced, too.

"In arguments concerning taxation the advocates of reduction upon large incomes often indulge in pessimistic statements concerning industry and enterprise, and apparently hint at a lack of prosperity in our country. And yet these same people, when speaking generally of success for the party of which we are members, exultingly describe our great prosperity and express their optimism for business future and, I am certain, of its destiny.

"The United States to-day is the most prosperous Nation on the face of the globe, and in the coming years that prosperity will not only continue but increase. One section of our country alone is in distress, and because of the general prosperity elsewhere more actually do we feel the distress and more readily would we relieve it. The farmer to-day suffers not only from low prices but from the high cost of production. What he sells is low and what he buys is high. His dollar is below par.

"This is especially true of the farmer in the interior, where the greatly increased freight charges stand between him and his market. The wheat farmer suffers most. During the war the Government held down the price of wheat to a lower level than other commodities. It insisted on greatly increased acreage. The resulting overproduction has added much to the farmer's difficulties. Conditions with him are not normal so long as he is not able to exchange his day's labor with all other kinds of labor. He is entitled to a fair wage and a reasonable return on his capital. He is not getting it.

COOPERATION NECESSARY.

"Credit schemes alone will not save him from bankruptcy. He must have a market for his products at a fair price. In the recent presidential message he is told to help himself. The Government apparently is cold toward him and turns from directions where he may be benefited. Cooperation, of course, would aid him, but cooperation of millions is a difficult thing after all. The innumerable agents and experts of the Government should aid the farmers in effecting cooperation among themselves, but there should also be effective cooperation of the Government with the farmer. Nothing could be more disastrous to our Nation than the continuance of the demoralization of our leading industry, for in the wake of this demoralization distress follows in every industry.

"It is not sufficient, therefore, to say to the farmer that he must lift himself by his bootstraps from the terrible predicament in which he finds himself. The Government must aid him. It must obtain for him lower freight rates. It must in effective fashion scrutinize the spread between production and consumption. It must not only promote cooperation among farmers themselves, but itself must sympathetically cooperate with them.

PROTESTS AGAINST FAKE POLITICAL ISSUES OBSCURING FOREIGN POLICIES.

"For some years past I have insisted upon a definite foreign policy for America. The lesson of the late war written in lurid red is the evil of secret diplomacy. Upon European nations the terrible lesson has been in vain. The same motives, the like interests, the very mode of promoting them, the age-old diplomacy by which governments entangled themselves and peoples pay the price still obtain there."

"The prosperity and the safety of our Republic must rest in a different policy. No selfish interests must be permitted to turn us from that enlightened policy which has brought us our vaunted prosperity and our proud world position. Our vigilance must not be relaxed nor our vision obscured by any fake political issue, no matter how tempting the bait of profit may be. Our international relations, our foreign policy, are of transcendent importance. Upon the kind of policy we adopt depends the very prosperity of which we boast and the very perpetuity of our institutions. In a campaign like this it is, therefore, not only appropriate but necessary to our welfare that our foreign relations be discussed and that our people register their will concerning them.

MUST REND VEIL.

"I am well aware our opponents have relegated international affairs to the obscurity of the State Department, and with their overwhelming power of publicity would have an inevitable tax reduction a smoke screen hiding foreign policy. An enlightened public opinion must rend the veil and clear the atmosphere, for inextricably interwoven with taxes is foreign policy. To-day the taxes levied are the aftermath of war. The amounts you are required to pay are the direct result of our participation in the great conflict. If with vigilance relaxed you are, either through the willfulness or ignorance or mistake of leaders, carried into the vortex of the European maelstrom, if by one specious pretext or another the first false step is taken by which you may become embroiled abroad, taxes instead of being reduced will be increased and added burdens will be yours. From the material standpoint, in the present condition of the world, your country's foreign policy deeply concerns you; from the standpoint of the safety of the Nation you love, it is all important.

FOREIGN POLICY UNKNOWN.

"The American people to-day do not know what is the foreign policy of our Government, and I have no hesitation in saying it is their right to know that foreign policy. It may be that we do not know our foreign policy, because we have none, but even the fact that we have none the American people have the right to know. A foreign policy, which, in words, according to the late presidential message, says, 'We attend to our own affairs,' and which, in deeds, attends to the affairs not only of our neighboring nation but the nations in Europe as well; a foreign policy toward Russia, which in the presidential message holds out a welcoming hand and through the Secretary of State turns it back; a foreign policy that denies activity upon the Reparations Commission abroad and then indirectly participation in that Reparations Commission; a foreign policy which says the League of Nations is a closed incident, and then attempts to take us into a part of the league; a foreign policy which speaks against permanent political alliances, and then practically allies us with existing powers upon this hemisphere constitutes a record of foreign policy which needs the obscuring screen of a tax-reduction scheme.

"The striking similarity between the concluding paragraphs of the presidential message and the nebulous phrases of the League of Nations covenant, the departure of experts to sit with the Reparations Commission abroad, the fact that our foreign policy is in the hands of a Secretary of State and a Secretary of Commerce who have been ardent League of Nations advocates, would indicate that the League of Nations is not a closed incident and that our foreign policy is a very live issue in this campaign. Apparently our Government drifts now one way and now another in its relations with Europe.

"The belief seems prevalent that we can not have a policy unless it shall first be promulgated by some confederation, association, organization, or league of foreign countries. We timidly advance a thought one day and apparently do something diametrically contrary another. And only in these last few days this kaleidoscopic foreign policy of the Nation maintained in such inviolable secrecy by the State Department has taken another startling turn. The United States is furnishing arms and munitions to Obregon in Mexico to fight a revolution there. It is done, as stated by the Secretary of State, 'to maintain stability and order and constitutional procedure in the neighboring Republic.'

"Our policy, expressed now in so many words, is that the United States frowns upon revolutions and will lend its mighty strength to maintain existing power upon this hemisphere. The merits of the contest raging in Mexico I do not know, and they are immaterial to this discussion. But, whatever the merits of the revolt in Mexico, I have no hesitation in saying our action is immoral if not illegal. What a departure from the policy America has ever pursued! What an anomalous and paradoxical position is ours to-day, we who were born in revolution! The United States Government finally says now to the people inhabiting this continent: If you dare fight for what you may deem to be right; if you raise your hand against oppression or wrong, the most powerful Nation in the world, its genesis armed resistance, will come to the aid of those you think your oppressors and will maintain existing power.

LIKENS SALE OF ARMS TO MEXICO TO POLICIES OF METERNICH HOLY ALLIANCE.

"Without invidious intent, but as indicating a different philosophy of government, I have characterized the present administration as 'reactionary.' History has its parallel of our opposition to revolution and of what we have done in furnishing arms and munitions to Obregon. In the complete metamorphosis of American policy the administration has turned to historic Old

World reaction. A hundred years ago there existed a league of nations in Europe, the Holy Alliance, which finally came under the control of the cunning and able master of secret diplomacy, Metternich, of Austria. The aims of this league, as expressed in words, were no less holy than the aims of those people who would to-day take us into Europe's controversies. Metternich, finally in absolute control of the league of nations of that day, definitely announced its policy no different from the policy now announced by our Government. Revolution by a long-suffering people in Piedmont Metternich ruthlessly stamped out with the armed forces of his league. A profligate monarch of Spain, who was driven from his throne by an indignant and outraged people, was restored again by the league's army, and was again—because he was constituted the authority—permitted to practice his exactions and cruelties, and it was all done upon the theory of maintaining the status quo. To-day we follow the Metternich policy of over a century ago, and free America announces the doctrine that revolution will be put down with our arms and constituted authority in neighboring nations will at all hazards be upheld.

SEEKS TO AVOID WAR.

"I abhor war. I will go to any length and make any sacrifice to preclude wars. I have fought these last five years in season and out, when I had few allies and again when I had many, for a consistent policy for our country which would preclude future wars. We who have been termed derisively 'isolationists,' who have been accused of lacking humanity, who have been denounced as without vision and wanting in love for our fellow kind have been actuated by the sole motive of humanity's welfare.

"To-day this country allies itself with war in Mexico. It does so through those who have talked eloquently of peace and of relieving humanity. Where are the leagues to enforce peace to-day, the organizations for outlawry of war, the individuals who talked, without understanding, of relieving the world's distress through a League of Nations court? Will they stand mute over this Mexican adventure that means a legacy of hostility and hatred for a generation to come? Will they have this country party to a little war that is a reality while pretending they desire to prevent future wars of their imagination? I will join with any association in this land, with any club or organization, with any league or association to protest against and to endeavor to prevent an American policy which makes us, because we furnish the arms and munitions, in reality a party to war."

CALLS LEAGUE TRIBUNAL FUTILE BODY WHICH IS REALLY NO COURT AT ALL.

"We stand upon such delicate ground to-day in our foreign relations that a single false step we may never be able to retract. Those who want to take us into Europe are anxious we should get in in any fashion. They would take us in by byways or indirection, confident that once started the irresistible force of circumstances and the inevitable logic of events will drive us further, until our old policy has been destroyed and we are inextricably involved. It is just this knowledge on the part of internationalists that makes them the advocates of the present administration. They pass with a smile the few words of the President on the league and seize with avidity his tepid indorsement of the League of Nations court. They know, just as you know, that we can not enter this creature of the league without ultimately being entangled with the league itself, and they know, just as you know, that once we are entangled with the league we are in Europe, and this is what they ardently desire. It is not a World Court we are asked to enter. It is the League of Nations court. It is a mistake to call it a World Court and a misnomer to call it a court at all. The President's description of it, 'The court is merely a convenient instrument of adjustment to which we could go but to which we could not be brought,' is the expression of its futility. What a naive thing it is to say that it is a convenient instrument to which we could go but to which we could not be brought, for it is equally a convenient instrument to which other nations may go but to which they could not be brought. It is the confession that it can do nothing except by consent. It can sweetly request a wrongdoer to come before it, but the wrongdoer may refuse to come. It can not right a wrong committed by one of the powerful nations of Europe, because the offending nation can refuse to come, and then the matter is ended. Imagine such a court in your own community. Imagine that your neighbor commits a heinous wrong against you, and assume that you have appealed to the court, and your court then asks your neighbor to appear. Your neighbor, with the fruits of his wrongdoing, sits by and says, 'I don't propose to appear,' and the court responds, 'That ends the controversy.' Thus, the wrong exists, the fruits of it are possessed by the offender, and the innocent party has had the pleasure of appealing to a court that can not and will not help him. It is just that kind of a court the present administration proposes to take us

into, and to take us into it under the guise that it is a court of international justice for the settlement of controversies between nations. The propaganda for this league court has been wholly misleading.

INSISTS ENTRY INTO COURT WOULD "FINALLY TAKE US INTO LEAGUE."

"Controversies between the great nations can not be settled by it. They can not even be brought into court without the consent of all parties. No wrong could ever be righted. The peace of the world can not be, in the slightest degree, affected by it, except so far as the nations concerned themselves agree. It is a terrible thing to tell our people that entry into the court would bring peace to a war-torn world and will settle controversies between grasping and contentious nations. And yet these very statements are echoed and reechoed throughout the land by public speakers, civic and religious associations, and really believed by many of the good people who pass resolutions in behalf of this misnamed court. If one of the powerful nations of Europe to-morrow seized with a lust of conquest should take by the storm arm a part of a neighbor's territory, the injured party could apply in vain until doomsday for relief from this league court.

HAGUE TRIBUNAL ACTIVE.

"In the present state of the world no one of the powerful exploiting nations will consent to have its wrong passed upon by the league court. Remember, we already have arbitration treaties with nearly every important country on earth, and by contract under these arbitration treaties all controversies are to be submitted to arbitration. The Hague Tribunal is in active existence now and is functioning with wider jurisdiction than the league.

"There is just one entry for our entry into the league court, and that is our entry will finally take us into the league. When we were first asked to join the League of Nations court last February, with reservations which the Secretary of State claimed would divorce it from the league, I said: 'If we now do what is asked the situation is this: We are wholly out of the league. We are in part of the league. By reservations we are out of the part of the league we are in. The part of the league we are in and from which by reservations we get out of functions as a part of the league with our assistance.'

"I received from one of the most earnest and intelligent advocates of the League of Nations in the West a letter in response. I do not indorse the statements in this letter. I would not assume to use its expressions, but it is refreshing in its intellectual honesty, and for that reason I dare quote it.

CALLS SCHEME ILLOGICAL.

"You are quite right. Your strictures on the Hughes-Roosevelt plan to sneak into the back door of the League of Nations are 'partly true.' Hughes's arguments for it are at most partly true. The whole scheme is illogical, impractical, insincere, and cowardly. And I am for it. But not for these reasons. You, from your standpoint, will be quite right in being against it. There is no present practical situation calling for action. It is a purely academic, theoretical proposal. There are theoretical arguments for it, which are 'partly true.' You can make others, as good, against it. I am for it, because, as an opportunist, if the Government has not the courage to walk into the league by the front door, I am willing not to approve, but to submit to the alternative policy of sneaking in the back door. It will ultimately get us in. That is the final reason why you should be against it, and I for it. But in your immediate strictures on the manner of it I agree with you."

"I quote this letter to you because it reveals the mind of the internationalist and states the case frankly, clearly, and exactly.

"Entry into the league court ultimately will get us into the league. An issue concerning the former of necessity makes the issue upon the latter. The difference is in the mode of going into the league, whether directly or by indirection. I am opposed to the league with or without reservations. But if this country is to be taken into it, I prefer to go in with full understanding by our people and in consonance with the honor and dignity of the Republic.

NOT AN "ISOLATIONIST."

"It is futile to call those who believe in our time-honored policy 'isolationists,' and it is worse to accuse us of a lack of humanity. This country has never been and never will be isolated from the rest of the world. In business, in finance, socially, commercially we are not isolated from Europe at all. There is just one sort of isolation which has been ours and upon which we now insist. It is isolation from the quarrels and controversies, the selfishness and the intrigue, the exploiting and the wars of Europe. No other isolation ever has been thought of, none could ever occur, and this sole form of isolation should continue not alone for our benefit but

for the benefit of all humanity. We can not aid war-torn people by becoming a party to their wars. We can not utilize our moral force, if such a thing be ours, by throwing it into a heterogeneous unmoral mass.

"We can only play our part and aid humanity by being ourselves and remaining free, unfettered, and independent, and it is upon this very theory that some of us have maintained the long and difficult struggle for our distinctive American policy. I would aid suffering humanity in whatever land it might be. I was proud of the ready response of our country to the great catastrophe in Japan. I am very proud to-day that under the auspices of General Allen funds are being collected in America to relieve want and destitution in Germany. I commend to you, just as I commend to the American people, the beneficent and generous efforts of General Allen and his colleagues to have this country do its part for the suffering German people. The war has long since passed for me. The destitution of the country which was our late enemy, children hungry there, women and the weak suffering, appeals to me with like force with suffering humanity the world over, and I would have our people extend them relief just as they have ever relieved the needy and the destitute, the hungry, and the suffering of peoples everywhere.

WANTS AMERICAN FOREIGN POLICY MADE BY UNITED STATES GOVERNMENT ALONE.

"The question after all of our foreign policy resolves itself into our wish for a distinctive American policy promulgated alone by ourselves, or a policy deferred for European conference and adopted abroad. I resent the timidity of this great Nation which precludes it from announcing a policy unless it shall be either in consonance or concert with foreign nations. We are differently situated from people beyond the sea, different geographically and different racially. There across shadowy borders the feuds and the hatreds of centuries are kept alive. Here a beneficent Creator has enabled us to work out our own salvation, apart from traditional vendettas and without the taint of virus of racial hatreds. Over there a single nationality is within the borders of a country. Here we have a heterogeneous mass of all nationalities. There by a common impulse a single nationality acts. Here we are endeavoring to weld into a homogeneous people those of every race and clime on earth.

"When we participate in controversies in Europe we invite among those who come from abroad the same controversies at home. And thus by entering Europe's troubles we become not only a part of them but we transplant them, too, in our own land. It is but natural that though men forswear allegiance, they do not forget the land of their birth, and when that land is embroiled with other foreign countries strong sympathies, hot enthusiasms are aroused. We want no race hatreds in our country. We want no imported traditional feuds. We invite them if we engage in Europe's controversies. We have traveled a single road for 130 years. Our path has been illumined by a definite policy under which we have grown to be the greatest and most powerful, the cleanest and the most moral Nation in the world. To turn aside now into an unknown and untried path and become a part of that from which our forefathers separated themselves, and between which and us the Lord put 3,000 miles of ocean, would mean the destruction of the one hope of civilization and humanity and the hazard of our own destiny."

JOHNSON DENOUNCES COOLIDGE POLICIES—CALIFORNIA SENATOR DECLARES ARMS SALE IMMORAL AND TAX REDUCTION A SCREEN—OPENS HIS FIGHT IN OHIO—HE SAYS THAT OFFICEHOLDERS ARE PICKING SOUTHERN DELEGATES TO DEFEAT HIM.

[From the New York Times, January 4, 1924.]

CLEVELAND, OHIO, January 3 (Associated Press).—A sharp attack on the Republican National Committee for increasing southern delegate representation in the national convention, a criticism of the administration for supplying arms and ammunition to the Obregon forces in Mexico, and a challenge to the Ohio Republican State Committee, which endorsed President Coolidge's candidacy, marked the opening address of Senator HIRAM JOHNSON of California in his campaign for the presidential nomination here to-night.

Senator JOHNSON scored the foreign policy of the administration, reiterated his Chicago speech in so far as it referred to his favoring a soldiers' bonus, cautioned the people to look carefully into the Mellon tax-reduction plan, although advocating a reduction in taxes, urged help for the farmers by the lowering of freight rates and the work of the cooperative societies, and finished with a scathing arraignment of the World Court.

"I have recently observed that certain people, including the distinguished Detroit manufacturer, have deplored that we should have an election this year," said Senator JOHNSON, "and perhaps at all; and many politicians denounce me because I have interfered with the serenity of the occasion and have not permitted

their plans for a nomination by default to be consummated. I shall not concede that collectors of revenue, United States marshals, postmasters, and other officeholders may themselves alone nominate candidates for the Presidency.

"The leaders on the other side have demonstrated by their recent actions their contempt for the men and women who in reality constitute the Republican Party. Our opponents do not believe in direct primaries and direct legislation. I insist that the Republicans in Ohio shall have an equal right in determining the nominee for President with the Republicans in South Carolina. Obviously our opponents do not so believe."

SAYS COMMITTEE TOOK ORDERS.

Senator JOHNSON reviewed the action of the 1920 Republican convention in reducing the southern delegations, and said that it was "a step in the right direction," as it was a basis for further reductions. He told of the recent action of the national committee in Washington "under the order of our opponents" in giving the Southern States the original representation and termed it "scandalous and unfair."

"These southern delegates," he said, "are selected by commands issued in the city of Washington to a very few Federal officeholders in the different States. The action of the national committee is a reversion to the abhorrent conditions from which we thought we had emerged."

Senator JOHNSON said that he had complied with the law of Alabama and expected his name to go on the ballot there, but that his opponents were trying to defeat the intent of the law by preventing the primary from taking place. He declared that it took two supreme court decisions to put his name on the ballot in South Dakota.

He threw down the gauntlet to the Ohio Republican State Committee by saying that no committee, "no matter how influential or how rich," could dictate to the people of Ohio as to who should represent the State at the national convention.

Referring to the "United States furnishing arms and munitions to Obregon in Mexico to fight revolution there," he said:

"It is done, as stated by the Secretary of State, 'to maintain stability and order and constitutional procedure in the neighboring Republic.' Our policy is that the United States frowns upon revolutions. The merits of the contest raging in Mexico I do not know, and they are immaterial in this discussion. But whatever the merits of the revolt, I have no hesitation in saying our action is immoral, if not illegal.

"What an anomalous and paradoxical position is ours to-day, we who were born in revolution. The United States Government finally says to the people inhabiting this continent: 'If you dare fight for what you deem to be right, if you raise your hand against oppression and wrong, the most powerful Nation in the world will come to the aid of those who you think are your oppressors and will maintain existing power.'"

The Senator compared this attitude with that of Metternich, of Austria and the Holy Alliance, saying:

"To-day we follow the Metternich policy of over a century ago, and free America announces the doctrine that revolution will be put down with our arms."

He then opened his guns on the administration's foreign policy.

"It may be that we do not know our foreign policy because we have none," he said. "But even the fact that we have none the American people have the right to know."

The Senator declared that the recent message of the President said, "We attend to our own affairs," but that in deeds we attend not only to the affairs of our neighboring nation but those of the nations of Europe. Though the message held out a "welcoming hand" to Russia, the administration, through the Secretary of State, "turns its back" on Russia.

"A foreign policy," said the Senator, "that says the League of Nations is a closed incident and then attempts to take us into a part of that league constitutes a record of foreign policy which needs the obscuring screen of a tax-reduction scheme.

MELLON BILL PROPAGANDA CHARGED.

"There can be no political issue on reduction of taxes. Everybody would reduce the expenditures of government to the least possible sum and collect from the people only that sum. No one believes in high taxation.

"We have never in this country had anything like the propaganda we now have in behalf of this so-called Mellon plan. It was propaganda most carefully prepared and stimulated. Under the Mellon plan the men who pay on \$250,000 will save \$49,000 a year; he who pays on \$300,000 will save \$63,000; those who have incomes of \$500,000 will save \$117,000; the fortunate one who has an income of a million will save \$252,000; and the few who pay on \$5,000,000 will save \$1,330,000.

"Who is it that is indulging in this propaganda? Do you imagine it is the man who by a reduction will save \$10 or \$30 or \$50 or \$100, or do you think it is the individuals who will save in the thousands?

"I would not have you misunderstand me at all. I would reduce the taxes of the people whenever it is possible to do so and keep faith at the same time. I would be scrupulously just to men of large incomes and of big business, but I recognize that men of great riches and big business have a happy faculty of looking out for themselves. Those of small incomes and small business must rely upon their representatives."

Of the World Court he said:

"We can not enter this creature of the league without ultimately being entangled with the league itself. It is not a World Court we are asked to enter. It is the League of Nations court."

The Senator commended the work of General Allen and his colleagues in behalf of starving women and children in Germany.

JOHNSON SAYS UNITED STATES FOLLOWS IMMORAL POLICY IN MEXICO—MAY ALSO BE ILLEGAL, SENATOR HINTS; SEES A GRAVE POLITICAL CHANGE—AGAINST WORLD COURT; FOR SOLDIERS' BONUS—BUSINESS MEN, HE ASSERTS, MUST REPAY WAR PROFITS BEFORE TALKING PATRIOTISM.

[From the Washington Post, January 20, 1924.]

EVANSVILLE, IND., January 19.—The foreign policy of the Coolidge administration was attacked from two angles by Senator HIRAM JOHNSON of California here to-night. He not only reiterated his opposition to the World Court and the League of Nations, with or without reservations, but he objected strenuously to the selling of arms and munitions by the United States Government to the Obregon forces of Mexico.

"Our action in Mexico is immoral if not illegal," Senator JOHNSON said. "What a departure from the policy America has ever pursued. What an anomalous and paradoxical position is ours to-day, we who were born in revolution. The United States Government says to the people inhabiting this continent, 'If you dare fight for what you deem to be right, if you raise your hands against oppression or wrong, the most powerful Nation in the world, its genesis armed resistance, will come to the aid of those you think your oppressors and will maintain existing power.'"

CALLS FOR WAR PROFITS.

"Without invidious intent, but as indicating a different philosophy of government, I have characterized the present administration as 'reactionary.'"

Senator JOHNSON declared that the bonus should be voted and given to our World War soldiers.

"Contrast the \$30 per month received by the soldier during the war with what those at home made during that period," said the Senator. "Oh, ye business men who protest against recognition of the soldier now, remember your attitude then."

"Not only was the principle of adjusted compensation recognized by our Government, but the Government during the war and for some months thereafter actually paid a bonus to its civilian employees. Certain of the great captains of industry, whose incomes are beyond the dreams of avarice of the ordinary man, prate and prate about commercialized patriotism. When these gentlemen have paid back into the Treasury of the United States the profits they made in the war they may be heard about commercialized patriotism, but until that day arrives let them keep silent on the pitiful sum that is asked by the men who sheltered them and their business and enabled them to make their unholy profits."

CAN CUT TAX WITH BONUS.

"And remember this adjusted compensation bill can be passed and the sums due under it paid by the Government and taxes reduced, too."

Senator JOHNSON then went into the tax situation and contended that the Mellon plan worked in favor of the man with large income. He said there were 13,600,000 persons who pay taxes on incomes of less than \$10,000, while 330,000 pay taxes on incomes of more than \$10,000. He gave figures that purported to show that men who paid on incomes from \$250,000 to \$5,000,000 would save amounts ranging from \$49,000 to \$1,330,000 under the Mellon plan.

The Senator repeated his previous attack on the Republican National Committee restoring the number of southern delegates in the national convention.

JOHNSON CHARGES MIRAGE IN TAX BILL—CALIFORNIAN SAYS THE ADMINISTRATION IS USING IT AS A COVER FOR OTHER DEFECTS.

[From New York Times, January 19, 1924.]

CHICAGO, January 18.—In two Chicago speeches to-night Senator HIRAM W. JOHNSON attacked the Coolidge administration's handling of the Mellon tax-reduction plan more bitterly than he has done in his previous platform appearances since he became a candidate for President.

These, boiled down, are some of the descriptions which he applied to the subject:

"A false political issue.

"A beautiful mirage to blind our people.

"Cuttlefish inking the political waters.

"An appeal to cupidity."

The Senator spoke to a large meeting at the Broadway Armory, in the uptown section, and later at the Wendell Phillips High School, on the South Side, where the audience was largely colored.

In general, he followed the lines of his Cleveland talk, the first big speech of his campaign. He denounced the administration's political organization and the "rotten borough" decision of the Republican National Committee. The soldiers' bonus, he said, was no longer debatable. He condemned the sale of arms to Obregon, demanded assistance for the farmer, and combated all suggestion of compromise on the decision to keep aloof from the League of Nations.

"In olden days," he said at the Broadway Armory meeting, "when exactions and tyranny produced unrest and discontent which threatened internal dissension or revolution, kings invariably adopted the method of diverting or distracting the discontented and restless subjects by amusing them with foreign wars."

"In our day the modern policy for distracting and diverting the people, a little more subtle and perhaps more efficacious than in the olden times, is by appealing to cupidity, and in the persuasive lure of material gain causing all else to be forgotten. The philosophy of some powerful politicians to-day is that the jingle of the guinea helps the hurt that honor feels and that the national conscience may be dulled, even dismissed, by the hope of money profit."

"I do not quarrel with the political strategy which transmutes what obviously had to be done and would be done into an entirely new discovery. I do not even criticize the other side of this contest for creating a beautiful mirage with a tax program which is designed to blind our people to everything domestic in character and obliterate the memory of our lack of foreign policy. The strategy, doubtless, from the standpoint of playing the game, is perfect. Is our intelligence sufficient to understand it?"

"There can be no political issue on reduction of taxes. Everybody would reduce the expenditures of Government to the least possible sum, and collect from people only that sum."

"To inject tax reduction as a false political issue into a campaign is to cuttlefish the political water so that nothing else may be seen."

"Let me ask the newspapers crying to loudly for the Mellon plan, the organizations that have been stimulated into activity for it without understanding it, and all the propagandists of big business, if you had to choose between reductions on small incomes and reductions on large incomes, how would you stand? I venture the assertion that if the reduction of taxation of small incomes only were involved there would be no propaganda, no pretended political issue about tax reduction."

"I am well aware that our opponents have relegated international affairs to the obscurity of the State Department, and with their overwhelming power of publicity would have an inevitable tax reduction as a smoke screen hiding foreign policy. An enlightened public opinion must read the veil and clear the atmosphere, for inextricably interwoven with taxes is foreign policy."

Senator JOHNSON branded the sale of arms to the Mexican Government as "immoral if not illegal." He will speak to-morrow night at Evansville, Ind.

JOHNSON RENEWS 1920 BID FOR MICHIGAN VOTE—CONDEMNS MEXICAN ARMS SALE, WORLD COURT, LEAGUE, MELLON PLAN; URGES BONUS AND TAX CUT, IN DETROIT—HITS NATIONAL COMMITTEE—WILL NOT PERMIT COLLECTORS AND UNITED STATES MARSHALS TO NOMINATE, HE SAYS.

[From the New York Tribune, January 18, 1924.]

DETROIT, January 17.—Senator HIRAM JOHNSON of California, who won Michigan's support in the 1920 presidential preferential primaries, renewed his bid for the favor of Wolverine Republicans to-night in an address here.

In a speech which followed closely one recently made in Cleveland, Senator JOHNSON condemned the sale of arms to the Obregon government in Mexico; he assailed the World Court as the "creature of the league," and he reiterated his opposition to the league, "with or without reservations." He unqualifiedly advocated a soldiers' bonus, and was equally vigorous in favoring a reduction in taxes, at the same time expressing opposition to the Mellon tax plan.

HITS RESTORATION TO SOUTH.

Other high points in his address were his fling at the Republican National Committee for restoring to Southern States the representation taken from them by the 1920 convention, and his criticism of Henry

Ford and others for their statements that it would be better if no presidential election were held this year.

"Some politicians have rather hysterically denounced me," Senator JOHNSON said, "because I have interfered with the serenity of the occasion and have not permitted their plans for a nomination by default to be consummated. These gentlemen look upon this as sort of 'lese majeste.' I shall not concede that collectors of revenue, United States marshals, postmasters, and other officeholders may themselves alone nominate candidates for the Presidency."

Payment of a bonus, the Senator said, should be made "not as a question of commercialized patriotism, but as a question of deserved recognition in a small degree." With \$350,000,000 surplus in the Treasury he believed it would be possible not only to pay the initial installment on the bonus but reduce taxes as well.

SAYS MELLON PLAN IS FOR RICH.

The Mellon plan drew the fire of the Californian's guns. He said persons of large incomes would benefit by the Treasury Secretary's program. "The concern of this tax scheme is not for the man of small income," he said, "but for the man of large income, who can best bear the burden. I would reduce taxes of all the people wherever it is possible to do so and keep faith at the same time."

Senator JOHNSON said he did not know the merits of the contest now raging in Mexico, adding that "they are immaterial in this discussion." The principle of the present administration's attitude toward the Obregon government, however, brought forth a broadside of criticism. "Free America," he said, "announces the doctrine that revolution will be put down with our arms, and constituted authority in neighboring nations will, at all hazards, be upheld. What an anomalous and paradoxical position is ours to-day, we who were born in revolution! Our Government says to the people who inhabit this continent: 'If you dare fight for what you may deem to be right, the most powerful nation in the world will come to the aid of those you think your oppressors and will maintain existing power.'"

JOHNSON AGAIN BIDS FOR MICHIGAN VOTE—CALIFORNIA SENATOR URGES BONUS AND OPPOSES MELLON PLAN.

[From the New York Herald, January 18, 1924.]

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Senator JOHNSON condemned sale of arms to the Mexican Government; he assailed the World Court as the "creature of the league," and reiterated his opposition to the league. He unqualifiedly advocated a soldiers' bonus and was equally vigorous in favoring a reduction in taxes, although opposing the Mellon plan.

He took a fling at the Republican National Committee for restoring to Southern States the representation taken from them by the 1920 convention, and criticized Henry Ford and others for their statements that it would be better if no presidential election were held this year.

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"Free America," he said, "announces the doctrine that revolution will be put down with our arms, and constituted authority in neighboring nations will, at all hazards, be upheld. What an anomalous and paradoxical position is ours to-day, we who were born in revolution. Our Government says to the people who inhabit this continent: 'If you dare fight for what you may deem to be right, the most powerful Nation in the world will come to the aid of those you think your oppressors.'"

The World Court is objectionable to the California Senator, he said, "because we can not enter it without being entangled in the league itself."

The Republican National Committee's action in restoring to Southern States the representation taken from them by the 1920 convention, he said, gives 134 delegates to nine Southern States, polling 489,000 Republican votes, while Ohio, where 1,182,000 vote the Republican ticket, will have only 51 delegates at the convention.

PROSECUTION OF CLAIMS AGAINST THE GOVERNMENT BY EX-OFFICIALS.

The Senate resumed the consideration of Senate Resolution 179, relative to the prosecution of claims against the Government before the Shipping Board or Emergency Fleet Corporation by ex-officials of the Government.

The PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

MESSAGE FROM THE HOUSE—ENROLLED BILL AND JOINT RESOLUTIONS SIGNED.

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the Speaker of the House had signed the following enrolled bill and joint resolutions, and they were subsequently signed by the President pro tempore:

S. 2189. An act granting the consent of Congress to the State Highway Department of North Carolina to construct a bridge across the Pee Dee River in North Carolina between Anson and Richmond Counties;

S. J. Res. 83. Joint resolution for the appointment of one member of the Board of Managers of the National Home for Disabled Volunteer Soldiers;

S. J. Res. 84. Joint resolution making appropriation for contingent expenses of the United States Senate, fiscal year 1924; and

H. J. Res. 160. Joint resolution to provide an appropriation for the prosecution of suits to cancel certain leases, and for other purposes.

INTERIOR DEPARTMENT APPROPRIATIONS.

The PRESIDENT pro tempore. Morning business is closed.

Mr. SMOOT. I ask unanimous consent that the Senate proceed to the consideration of House bill 5078, being the Interior Department appropriations bill.

The PRESIDENT pro tempore. Is there objection? The Chair hears none. The unfinished business will be proceeded with.

POLITICAL SPEECHES OF PRESIDENTIAL CANDIDATES.

Mr. ROBINSON. Mr. President, before the consideration of the appropriations bill proceeds I desire to address the Senate for just a moment, not upon the point of order but relative to the precedent set by the chairman of the Committee on Printing, the Senator from New Hampshire [Mr. MOSES], in reading into the RECORD a political speech purporting to have been delivered by the Senator from Missouri [Mr. REED] at some point in the country last night.

Mr. President, I objected to the insertion in the RECORD of the speech for a reason which I believe to be sound, and which I believe Senators who have respect for the proper proceedings of the Senate will indorse. It establishes an objectionable precedent. I have not the slightest objection to a free and full discussion of the conduct of any man who has been a Democratic political officeholder, and I think it right and proper that those who have avowed themselves candidates for the office of President of the United States should express their views touching the issues which they think may reflect upon the merits of their candidacy. This is not the proper forum to determine the propriety of conduct attributed to candidates.

The Senator from New Hampshire [Mr. MOSES], however, has posed as the protector of the RECORD. He has now set the precedent of inviting the insertion in the RECORD or the reading into the RECORD of political addresses delivered by various candidates for President of the United States. Of course, the purpose of the Senator from New Hampshire is manifest to everyone present who observes his conduct. It is a manifestation of the kind of statesmanship which usually characterizes debate upon the part of the Senator from New Hampshire, and it is an illustration of his views as to how the business of the Senate of the United States should be conducted. The Senator from New Hampshire is welcome, so far as I am concerned, to any consolation that he may derive by reason of the criticism of one Democratic candidate for the Presidency by another; but let me point out to the Senator from New Hampshire the distinction which the Senator from Missouri made in his speech, a distinction that is worth while—I doubt if the Senator from New Hampshire can comprehend it; but, nevertheless, it is a distinction proper to be made—and that is, the Senator from Missouri did demonstrate one fact, that Democratic Cabinet members when they want to make money get out of the Cabinet and Republicans when they want to make money get into the Cabinet. [Laughter.]

Mr. HEFLIN. Mr. President, I can hardly permit the hour to pass without saying a word in reply to the Senator from New Hampshire [Mr. MOSES]. He seems very much delighted—in fact, overjoyed—at finding that something has been said in criticism of a prominent Democrat. In the multitude of Republican officials who have been besmirched by their own bad conduct and wrongdoing, it must have been refreshing to the Senator from New Hampshire to find that somebody was speaking in criticism of a Democrat who had formerly held a Cabinet office.

As the Senator from Arkansas [Mr. ROBINSON] has said, I have no objection to turning on the light. I think that any candidate and every candidate for the office of President ought to be able to stand up before the searchlight; he ought to have the spotlight put on him, and unless he is such a man as should be exalted to that high place he ought to be rejected. If the spotlight had been turned on certain Republicans, we would not have the trouble and scandal that we now have.

It seems that there has been wrongdoing in every department of the Republican administration, and Senators, like the Senator from Nebraska [Mr. NORRIS], have been offering resolution after resolution in regard to this department and that department; he, a Republican, is crying out to have the light turned. So we have several investigations going on. Why? Because of the misconduct of Republicans now in office. The Senator from New Hampshire rises in his place and talks about something that a Democratic ex-Cabinet member has done in the private walks of life. I am not defending his acts; he will answer for himself; and if he has been guilty of wrongdoing let it come out; but the Senator from Arkansas has correctly sized up the situation. When a Democrat in office feels that he wants to make money he turns over the office with a clean record and gets out and enters some business as a private citizen to make money, while some Republicans seek to get into office for the purpose of making money, and when they get in they open the door to property that has been intrusted to their care and permit people to come in and help themselves, and there is a little toll left at the gate as they depart with the loot.

Cabinet officers who have been in office under Republican rule are rich now. Nobody knows how much money Fall got. A hundred thousand dollars, in my judgment, will not touch it, nor \$200,000 nor \$500,000, for I believe he got a million and more, and I do not believe Fall is the only one of them who got money. I think there were drippings from the oil sanctuary all down the line, and that they were getting theirs, more of them than Fall. These things are going on under a Republican administration.

Now, while the Senator from New Hampshire is gloating over something said about a Democrat who once held office in the Nation and who is seeking to hold another office, and who must have his claims passed upon at the judgment bar of the great Democratic Party, let him inquire what is the President doing this day toward stopping Doheny from pumping oil out of the wells yonder in California. That oil belongs to the Government. We have said the naval reserve leases were fraudulent; we have said they ought to be canceled; we have appointed two lawyers to have them canceled; and yet Doheny is here flourishing in the Capital, his pumps are running now, Sinclair's pumps are running, and the oil is being taken out every day by the thousands of barrels. I should like the Senator from New Hampshire to give his attention to that situation, and I should like to ask him to call the attention of the President to it. I did so on yesterday, and I am going to ask again now, What is the President doing to protect this property of the people? What is he doing to keep them from getting away with this great oil treasure that belongs to the American people?

Mr. McKELLAR. Mr. President—

Mr. HEFLIN. I yield to my friend from Tennessee.

Mr. McKELLAR. In addition to that, Mr. President, what is the Department of Justice doing and what are the two lawyers, whom we have confirmed at the request of the President, doing toward bringing these criminals to justice? The proof is almost positive that Mr. Sinclair and Mr. Doheny have bribed Mr. Fall and that Mr. Fall has accepted those bribes.

Weeks and even months have passed away, and there has not been a sign of any proceeding to bring these men to an accounting. No indictment has been returned, and, so far as I have been able to see in the public prints, no indictment is even being thought of against these men who the world knows are guilty, and they ought to be prosecuted.

I want to say again, if the Senator will permit me, that it is the duty of these lawyers that we have employed, it is the duty of the Department of Justice, to have indictments brought against these men, give them a speedy trial, and let the country know whether they are guilty or not guilty; and if they are guilty, as I believe they are guilty, they ought to be sent to the penitentiary like other criminals. It is an outrage that something is not done with these rich criminals. Have we come to such a pass that the criminal laws of our country are executed only against the poor people of the country and not against the rich? These men should be brought to justice, and brought to justice speedily.

Mr. HEFLIN. I thank the Senator from Tennessee for his suggestion. Mr. President, it has gotten to be common knowl-

edge that the poor man and the poor woman do not escape when they offend against the law; but these fellows high in financial circles can buy their passports into any sort of crooked deal and get away with it. Money, money! You worship at the shrine of Mammon.

Mr. FLETCHER. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Alabama yield to the Senator from Florida?

Mr. HEFLIN. I gladly yield to my friend from Florida.

Mr. FLETCHER. Is it not worth while, also, to remember what has been taking place in the Veterans' Bureau? What has become of Forbes? A strong indictment has been laid down here with reference to the frauds, the crookedness, the graft, the corruption in the Veterans' Bureau. Who has been prosecuting Forbes?

Mr. HEFLIN. That is a very pertinent suggestion that the Senator has made, and I want to say here what I have said once before: I have heard it said that one man who has been under investigation in that matter has stated that he dared the Attorney General to indict him. I imagine that he means by that that the Attorney General dare not indict him because of some knowledge that the Attorney General has, and some knowledge that he has in this connection regarding the Attorney General.

Mr. President, it is an awful situation that we have in this country.

There is going to be a house cleaning in this Nation. It ought to be had. As I said on yesterday, we ought all to pull together to that end, and not try to throw any chunks in the way of this investigation. We ought rather to help it along and say, whether they be Democrats or Republicans, "Turn on the light!" Let that become the national slogan. In addition to the slogan "Turn on the light," let us add "and turn the rascals out."

The Senator from West Virginia [Mr. ELKINS] gets into print this morning. If I recall correctly, he has been speculating in oil stocks. He is on slippery ground. Oil is a very slippery proposition, and yet they tell us that he has been dealing in oil. He suggests that whenever a Democrat gets up here and assails a Cabinet officer, some Republican on the other side runs up and tells the President to call for his resignation. I must admit, in view of that suggestion, that we are making some progress, because when we went after Denby, he never had you running up there then. You went up there to keep us from getting him out, but he knew more about it than you thought he did, and he got out. He got out when he was saying he would not get out. He got out when the President was saying he would not let him get out; but this thing called public opinion, aroused indignant public opinion, drove Denby out; the truth is mighty and it did prevail. Now, I submit if leaders on the other side are going up and telling the President that he ought to let these men out of the Cabinet, we are making some headway.

The Senator from West Virginia [Mr. ELKINS] suggests that he understands we have Mr. Mellon next on the rack. Well, that is not so bad. The Senator from West Virginia suggests that Mr. Weeks, Secretary of War, is next in order. Well, he seems to think that we are going down the line. Fall, Denby, Daugherty, Weeks, Mellon—call the roll! Who is it in this administration that can stand up with clean hands and say "Turn on the light"? Who is it?

In order that the Senator from New Hampshire may not get too far astray, I might ask him how the President came to appoint two oil attorneys first to handle this property of the Government. He appointed Mr. Gregory and Mr. Strawn.

I showed Mr. Strawn's connection with the oil people, and these two appointments were set aside. Why were these men selected at the outset? Did anybody think that we did not know or that somebody else did not know their connections? Why were these men first selected? I can ask that with more pertinency now, since Doheny has come to the Capital and is taking the rôle of leader of the Republican Party, and urging the country to stand by a Republican administration. May I not ask why were these two oil attorneys first named, and not set aside until we pointed out that they were oil attorneys? Let the Senator from New Hampshire ponder these questions as he goes along.

Another question, Mr. President, might be pertinent now. When Mr. Coolidge became President—cunning, cold, calculating, cautious Cal—they said: "Of all men, he is the best fitted. He has been in the Senate, presiding over that great body. He has heard the debates on everything. He is familiar with Congress and the action of Congress. He knows it all; and not only that, but he has been sitting with the Cabinet. He is, therefore, familiar with the duties of President, just the same

as if he had really been President. He, above all men, is fitted for this place." Then, when he came into the office of President and these billion-dollar oil reserves of the Navy came up for consideration and it was found that a Republican Cabinet where he had been sitting had discussed it, they said: "Why, he did not know anything at all about that. You will have to excuse him"; but as to all the other matters that did not amount to much he was right there when they were discussed. Then they said: "What about the debates in the Senate?" The Senator from Wisconsin [Mr. LA FOLLETTE] said: "Why, he was sitting in that chair when I discussed my resolution and went into it in detail"; and still some people talk about the President not knowing anything about this oil matter.

I want to remind the Senator from New Hampshire again, and remind the investigating committee again, that William Boyce Thompson, a stockholder in the Sinclair company, borrowed, with part of the securities of the Sinclair company, \$3,000,000 on a dummy note while he was treasurer of the Republican campaign committee in New York in 1920. If that is not a fact, call witnesses before that committee and prove that it is not a fact. He borrowed \$5,000,000 in all. Three million dollars of it was borrowed on a dummy note. Who got the benefit of that \$3,000,000? The Republican campaign committee, the Republican Party.

So, Mr. President, from time to time, in order to keep the record straight and for the benefit of my friend from New Hampshire, it may be necessary to inject into the Record some of these very pertinent matters.

INTERIOR DEPARTMENT APPROPRIATIONS.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 5078) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1925, and for other purposes.

Mr. OVERMAN. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The roll was called, and the following Senators answered to their names:

Adams	Edwards	Ladd	Reed, Pa.
Ashurst	Eikins	La Follette	Robinson
Ball	Ernst	Lenrott	Sheppard
Bayard	Ferris	Lodge	Shipstead
Borah	Fess	McKellar	Shortridge
Brandegee	Fletcher	McKinley	Simmons
Brookhart	Frazier	McLean	Smith
Broussard	George	McNary	Smoot
Bruce	Glass	Mayfield	Spencer
Bursum	Gooding	Moses	Stanfield
Cameron	Hale	Neely	Stanley
Colt	Harris	Norbeck	Swanson
Copeland	Harrison	Norris	Trammell
Couzens	Heffin	Oddie	Walsh, Mass.
Cummings	Howell	Overman	Walsh, Mont.
Curtis	Johnson, Minn.	Pepper	Warren
Dale	Jones, N. Mex.	Philips	Watson
Dial	Jones, Wash.	Pittman	Wheeler
Dill	Kendrick	Ralston	Willis
Edge	Keyes	Ransdell	

The PRESIDENT pro tempore. Seventy-nine Senators have answered to their names. There is a quorum present.

Mr. OVERMAN. Mr. President, before the question of order is submitted to the Senate I will ask the Chair to let me make another point of order, which I think involves one of the greatest questions which has come before the Senate in a long time. That question is, Have a few men sitting in the Treasury Department the right to submit to the Senate, in order to make it in order, an appropriation suggested by some Senator or some outsider who has more influence than I or other Senators have? Can some Senator or some outsider have an estimate submitted which is not authorized by law? If there is that power, we had better abdicate our powers as legislators and allow those men to estimate what some Senator or some outsider may get them to estimate through his influence.

The PRESIDENT pro tempore. The Chair regards it as his first duty to submit to the Senate the question of the relevancy of the amendment offered by the Senator from Wisconsin [Mr. LENROOT].

Mr. HARRISON. I have no objection to the Chair submitting that proposition to the Senate, but I do not want to lose any right to take an appeal from the decision of the Chair on the first proposition.

The PRESIDENT pro tempore. There will be abundant opportunity for an appeal.

Mr. LENROOT. With reference to an appeal from a decision of the Chair, I give notice that I shall urge that the time for an appeal has gone by and it is too late to appeal from the decision of the Chair.

Mr. OVERMAN. Mr. President, the Senator from Wisconsin is a fair man and wants to do what is right. He will remember that these rulings were all made just before adjournment, at one time, and really we did not have time enough to appeal. I hope the Senator will not raise that point.

Mr. LENROOT. Certainly the Senator from Wisconsin does not desire to be technical, but I appeal to the Record on that.

Mr. OVERMAN. The Senator can appeal to the Record, but he knows without appealing to the Record that it was just before adjournment, and the Chair said, "We will let this matter go over until to-morrow." I myself suggested that we were just on the point of reaching 6 o'clock, that we had been here all day, and that we had better adjourn until to-day.

Mr. LENROOT. Upon the question of the germaneness, frankly, I had no thought that there was any intention to appeal from the decision of the Chair, because there was nothing to indicate it.

Mr. OVERMAN. Mr. President, I can make another point, which I intend to do, which, I will say, involves this question. The point of order I made was under paragraph 2. I have not made a point of order under paragraph 1, but I intend to do so. That is the matter in connection with which I say the very integrity of the Senate is at stake.

The PRESIDENT pro tempore. In the view of the Chair the question now is, Is the amendment proposed by the Senator from Wisconsin [Mr. LENROOT] germane or relevant to the subject matter contained in the bill?

Mr. OVERMAN. That is not debatable, I believe.

The PRESIDENT pro tempore. That question is not debatable.

Mr. HARRISON. A parliamentary inquiry, Mr. President.

The PRESIDENT pro tempore. The Senator will state his inquiry.

Mr. HARRISON. As I recall the rule, an appeal can be taken from a decision of the Chair until intervening business shall have intervened. There has been no intervening business since the ruling of the Chair late yesterday afternoon.

The PRESIDENT pro tempore. The Chair has not ruled upon the question at all.

Mr. HARRISON. I understand that. The parliamentary inquiry I desire to propound is this: Would the taking of a vote on this division of the proposition be intervening business? It would be a part of the ruling of the Chair, would it not?

The PRESIDENT pro tempore. The Chair is very clear that that is not intervening business.

Mr. OVERMAN. The Chair holds, then, as I understand the Chair's ruling, that he will not permit me to submit this point of order—

The PRESIDENT pro tempore. The Chair is of the opinion that the rule requires the submission of this question to the Senate—

Mr. OVERMAN. Before any other point is made?

The PRESIDENT pro tempore. And if other points of order are to be made and other questions arise, after the point is submitted, the Chair will endeavor to deal with them at the time they arise. Does the Senator from North Carolina desire to take an appeal at this moment?

Mr. OVERMAN. No, Mr. President. I want to take an appeal on some rulings made yesterday, which I did not think I was precluded from taking, because we were just on the point of an adjournment.

The PRESIDENT pro tempore. The question is, as stated by the Chair, Is the amendment proposed by the Senator from Wisconsin germane or relevant to the subject matter contained in the bill?

Mr. LENROOT. I demand the yeas and nays.

The yeas and nays were ordered.

Mr. ROBINSON. I ask that the Chair state the question.

The PRESIDENT pro tempore. The question is, Is the amendment proposed by the Senator from Wisconsin germane or relevant to the subject matter contained in the bill?

Mr. OVERMAN. What is the amendment?

Mr. KENDRICK. Mr. President, has the Chair ruled upon the question?

The PRESIDENT pro tempore. The Chair is not permitted to rule. The standing rules of the Senate require that this question shall be submitted to the Senate without debate. The Secretary will call the roll.

Mr. BRUCE. Mr. President, though I was straining my ears to hear the statement of the question, I really do not know what the proposition is.

The PRESIDENT pro tempore. The Chair has stated the proposition.

Mr. BRUCE. Yes; but what is the subject matter to which the point of order relates?

The PRESIDENT pro tempore. The question is, Is the amendment offered by the Senator from Wisconsin germane or relevant to the subject matter of the bill?

Mr. BRUCE. What is the subject matter to which the amendment relates?

Mr. LENROOT. The appropriation of \$370,000 for Howard University.

The PRESIDENT pro tempore. The Secretary will proceed with the roll call.

The Secretary proceeded to call the roll.

Mr. GLASS (when his name was called). I have a general pair with the junior Senator from Connecticut [Mr. McLEAN], in his absence I withhold my vote. If permitted to vote, I would vote "nay."

Mr. JONES of New Mexico (when his name was called). I transfer my general pair with the senior Senator from Maine [Mr. FERNALD] to the senior Senator from Tennessee [Mr. SHIELDS] and vote "nay."

Mr. LODGE (when his name was called). I have a general pair with the senior Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senator from Vermont [Mr. GREENE] and vote "yea."

Mr. SIMMONS (when his name was called). I have a general pair with the junior Senator from Oklahoma [Mr. HARBOLD]. I transfer that pair to the junior Senator from Arkansas [Mr. CARAWAY] and vote "nay."

Mr. SMITH (when his name was called). I have a general pair with the senior Senator from South Dakota [Mr. STERLING]. I transfer that pair to the senior Senator from Missouri [Mr. REED] and vote "nay."

The roll call was concluded.

Mr. DALE. I have a pair with the junior Senator from Mississippi [Mr. STEPHENS]. I transfer that pair to the junior Senator from Kansas [Mr. CAPPER] and vote "yea."

Mr. HARRISON. I desire to announce that my colleague, the junior Senator from Mississippi [Mr. STEPHENS] is unavoidably absent. He is paired with the junior Senator from Vermont [Mr. DALE], and if present and permitted to vote would vote "nay."

Mr. ASHURST. I desire to announce that the junior Senator from Massachusetts [Mr. WALSH] is unavoidably absent. If present, he would vote "yea."

Mr. CURTIS. I desire to announce the absence of the senior Senator from Maryland [Mr. WELLER]. If present, he would vote "yea." I also desire to announce the following pairs:

The senior Senator from Illinois [Mr. McCORMICK] with the senior Senator from Oklahoma [Mr. OWEN]; and

The senior Senator from New York [Mr. WADSWORTH] with the junior Senator from Utah [Mr. KING].

Mr. ROBINSON. The junior Senator from Arkansas [Mr. CARAWAY] is necessarily absent. If he were present, he would vote "nay."

The roll call resulted—yeas 54, nays 19, as follows:

YEAS—54.

Adams	Dale	Kendrick	Phipps
Ashurst	Dill	Keyes	Ralston
Ball	Edge	Ladd	Reed, Pa.
Bayard	Edwards	La Follette	Shipstead
Borah	Elkins	Lenroot	Shortridge
Brandegee	Ernst	Lodge	Smoot
Brookhart	Ferris	McKinley	Spencer
Bursum	Fess	McNary	Stanfield
Cameron	Frazier	Moses	Walsh, Mont.
Copeland	Gooding	Neely	Warren
Couzens	Hale	Norbeck	Watson
Cummins	Howell	Norris	Willis
Curtis	Johnson, Minn.	Oddie	
	Jones, Wash.	Pepper	

NAYS—19.

Broussard	Harrison	Overman	Smith
Dial	Heflin	Ransdell	Stanley
Fletcher	Jones, N. Mex.	Robinson	Swanson
George	McKellar	Sheppard	Trammell
Harris	Mayfield	Simmons	

NOT VOTING—23.

Capper	Greene	Owen	Underwood
Caraway	Harrell	Pittman	Wadsworth
Colt	Johnson, Calif.	Reed, Mo.	Walsh, Mass.
Fernald	King	Shields	Weller
Gerry	McCormick	Stephens	Wheeler
Glass	McLean	Sterling	

The PRESIDENT pro tempore. On this question the yeas are 54, the nays are 19. So the Senate holds that the amendment offered by the Senator from Wisconsin [Mr. LENROOT] is germane and relevant, and the Chair overrules the point of order made by the Senator from North Carolina [Mr. OVERMAN] and the Senator from Arkansas [Mr. ROBINSON].

Mr. OVERMAN. What point of order did the Chair overrule?

The PRESIDENT pro tempore. The Chair understands that the Senator from North Carolina made a point of order yesterday, and thereafter the Senator from Arkansas amplified the point of order and made another point of order.

Mr. OVERMAN. That is correct. I made but one point of order, and that was under paragraph 2 of Rule XVI. Now I make the point of order, and I think it involves a very vital question, under paragraph 1 of Rule XVI, which provides that no amendment shall add a new item of appropriation made unless it be made to carry out the provisions of some existing law or treaty, stipulation, or act, or resolution previously passed by the Senate during that session, or unless the same be moved by direction of a standing or select committee of the Senate, or is proposed in pursuance of an estimate submitted in accordance with law. I make the point of order that this appropriation has not been estimated for in pursuance of law. That is the point of order I make.

Mr. LENROOT. I make the point of order that that question has already been decided by the Chair and the point can not be renewed. That was one of the express points made by the Senator from Arkansas yesterday. It so appears in the RECORD, as follows:

Mr. ROBINSON. I think perhaps the Chair did not hear my point of order. I make the point of order as follows:

First, that the amendment is not in order because it is not proposed in pursuance of an estimate submitted in accordance with law.

The Chair ruled upon that last night. The Chair overruled the point of order and submitted the question of germaneness. The RECORD shows what then transpired.

Mr. OVERMAN. But that point of order was made under paragraph 3 of Rule XVI.

The PRESIDENT pro tempore. The Chair understands that the point of order that is now made by the Senator from North Carolina is exactly the point of order made by the Senator from Arkansas yesterday. The Chair expressed its opinion with regard to that point of order yesterday, as also the point of order raised under paragraph 3, that the amendment constituted general legislation.

Mr. OVERMAN. Under the circumstances that occurred, which the Chair remembers as well as everyone else, when the suggestion was made that we let the matter go over until today for such action as we should desire to take, does the Chair hold that I can not now take an appeal?

Mr. LENROOT. I appeal to the RECORD upon that.

Mr. OVERMAN. Well, read the RECORD.

Mr. LENROOT. I would like to read the entire RECORD on that subject. I read as follows:

Mr. ROBINSON. Mr. President, I think we might just as well determine other points of order which are deemed to be applicable. I make the point of order, if it is in order to do so now, that the amendment is not in order because, first, it is not proposed in pursuance of an estimate submitted in accordance with law; second, because it is not germane or relevant to the subject matter in the bill.

Mr. LENROOT. The Senator understands that the last point must be decided by the Senate; it can not be decided by the Chair.

Mr. OVERMAN. Another ground on which a point of order might be based is that it is general legislation.

Mr. ROBINSON. I think perhaps the Chair did not hear my point of order. I make the point of order as follows:

First, that the amendment is not in order because it is not proposed in pursuance of an estimate submitted in accordance with law.

Second, because the amendment proposes general legislation.

Third, because it is not germane or relevant to the subject matter contained in the bill.

The PRESIDENT pro tempore. The Chair had occasion to give some study to this matter a few days ago upon the point of order raised by the Senator from North Carolina [Mr. OVERMAN]. It is the opinion of the Chair that the amendment is proposed in pursuance of an estimate submitted in accordance with law. That disposes of any objection that can be made to the amendment so far as being in order is concerned under the first paragraph of Rule XVI. It is not objectionable to paragraph 2 because it is not moved by a standing or select committee of the Senate.

There remains to be considered the point of order just made by the Senator from Arkansas [Mr. ROBINSON] under paragraph 3, which provides that—

"No amendment which proposes general legislation shall be received to any general appropriation bill, nor shall any amendment not germane or relevant to the subject matter contained in the bill be received; nor shall any amendment to any item or clause of such bill be received which does not directly relate thereto; and

all questions of relevancy of amendments under this rule, when raised, shall be submitted to the Senate and be decided without debate; and any amendment to a general appropriation bill may be laid upon the table without prejudice to the bill."

The Chair overrules the point of order so far as it raises the question of the amendment being proposed in pursuance of an estimate submitted in accordance with law. It overrules the point of order so far as it relates to general legislation, because the Chair is of the opinion that it is not general legislation.

In accordance with the rule, the Chair submits to the Senate the question as to whether or not the amendment is germane. The question is, Shall the point of order be sustained because the proposed amendment is not germane to the provisions of the bill?

Mr. OVERMAN. Mr. President, it is pretty late. I think we had better let it go over until to-morrow.

There was not a suggestion of an appeal, but the pending question was the germaneness of the amendment, and that was all.

Mr. OVERMAN. It is very evident that I had no time to appeal, as the Chair was stating the question to the Senate, and I rose and asked, as I understood, that the whole matter go over until to-day.

Mr. LENROOT. I read the Senator's language. Then the Senator from Mississippi [Mr. HARRISON] said:

I have an amendment to offer that is very important, and there will be no discussion on it.

There was no suggestion or thought upon the part of anyone on the other side of the Chamber of an appeal.

Mr. MOSES. We have a question before the Senate.

And that question was only the question of germaneness.

The PRESIDENT pro tempore. Debate is not permitted.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

Mr. ROBINSON. Will not the Senator from Massachusetts withhold that motion until to-morrow? It is late this evening.

Then there followed a discussion as to an adjournment or a recess, and there was no suggestion of an appeal upon the part of anybody. That being so, I submit that it is both too late to appeal, and the identical question having been decided by the Chair yesterday it can not now be renewed. There is an amendment pending which it has been decided is germane.

Mr. HARRISON. Mr. President, I understood the Senator from Wisconsin made a point of order to the suggestion of the Senator from North Carolina. The matter that is now pending is his point of order. Is not that right?

The PRESIDENT pro tempore. There is no point of order pending as the Chair understands.

Mr. HARRISON. I understood that the Senator from North Carolina had taken an appeal from a ruling of the Chair on yesterday afternoon and that the Senator from Wisconsin had made the point of order against the Senator taking an appeal at this time because it was too late.

The PRESIDENT pro tempore. The Chair has not so understood it.

Mr. LENROOT. No. The Senator from North Carolina this morning has not suggested an appeal, but he made a point of order that the matter was not submitted in pursuance of an estimate in accordance with law. I thereupon made the point of order that the question had been decided already by the Chair.

Mr. ROBINSON. The Senator from North Carolina can make the point of order when the bill gets into the Senate.

Mr. OVERMAN. I understand that I can do so, but I thought we might as well settle it now as at any time. A Senator does not usually take advantage of another at such a time on the eve of an adjournment. I did not think the Senator, with all due respect to him, for I like him, would make that point at this time.

Mr. LENROOT. I am very frank to say to the Senator from North Carolina that I think it is always in order to protect the rules of the Senate, which I know to be clearly against an appeal in these circumstances. I do not care in this particular case, however, because the Senator knows that he can take his appeal later on.

Mr. DIAL. Mr. President, the point of order that ought to be made is that there is nothing in the Constitution of the United States nor in the laws nor in the rules of the Senate authorizing us to donate money for this purpose. I know there is no use making such a point of order, but it ought to be permissible. Our devotion to the Constitution ought to preclude us from giving away the taxpayers' money. Further, if the Treasury is so full of funds that we are to be donating money to the schools of the country, it would serve a better purpose

to divide it up equally and contribute to help build up military schools, so that we can train our young men to defend the country in time of need.

Mr. HARRISON. Mr. President, a parliamentary inquiry. The PRESIDENT pro tempore. The Senator from Mississippi will state the inquiry.

Mr. HARRISON. I understood the Chair to rule that where a decision had been made by the Chair an appeal could be taken from that ruling in all cases except where intervening business had been interposed.

The PRESIDENT pro tempore. The Chair has not ruled upon that question at all.

Mr. HARRISON. I understood the Chair to so express himself; that that was a correct construction of the rule.

The PRESIDENT pro tempore. The Chair said the question of an appeal had not arisen.

Mr. HARRISON. I take an appeal now from the decision of the Chair on yesterday afternoon, and on that proposition I submit there has been no intervening business. The only thing that has been done was a motion to adjourn yesterday, and it was understood that the only reason why an appeal was not taken yesterday and that the matter was not fought out was because of the lateness of the hour and that the point of no quorum could be made and we would not be able to get a quorum at that time.

Yesterday, on page 3094 of the RECORD, occurred the following:

Mr. OVERMAN. Mr. President, does the Senator offer that amendment?

Mr. LENROOT. I do.

Mr. LODGE. It has been ruled on already.

Mr. HARRISON. Mr. President, I presume that a point of order will be made to get a quorum here if this amendment is pressed. Why can it not go over until to-morrow?

Mr. LENROOT. I am perfectly willing.

Throughout the discussion it is shown that the only reason why it was not proposed yesterday was because a point of order would be made and an appeal would be taken from it and the yeas and nays would be ordered. I submit that we can take an appeal from the decision of the Chair at any time except when intervening business has come up, and there has now been no intervening business. There is nothing in the rules to show that we have to take an appeal immediately. An appeal from the decision of the Chair will be taken, and no harm will be done by an appeal now being taken from the decision of the Chair, because the matter will not be discussed any more. Of course, a point of order can be made when we get the bill into the Senate, as has been suggested, but in view of what happened yesterday and the way the matter went over because of the lack of a quorum, it does seem to me that we ought to have the right to take an appeal on the first proposition.

Mr. BROOKHART. I suggest to the Senator from Mississippi that he ask unanimous consent that an appeal be considered at this time.

Mr. HARRISON. I ask unanimous consent that an appeal may be ordered by the Senate and that we vote on that proposition.

Mr. LENROOT. I have no objection to that course being taken, but I want to say to the Senator from Mississippi, and I take this opportunity of saying, that I can not agree at all to his contention that there must be intervening business in order to prevent an appeal. If the Chair rules on any question and debate goes on for a week the Senator would not say that an appeal could be taken a week later. There is no such rule as to intervening business.

Mr. WARREN. Mr. President, I must object to the request of the Senator from Mississippi. I think we ought to transact some business here.

The PRESIDENT pro tempore. The Chair has reached a very definite conclusion in regard to the matter. The Chair would be very slow to prevent an appeal upon any decision the Chair might make and therefore the question is, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. OVERMAN. Is that debatable?

The PRESIDENT pro tempore. And upon that there is no debate as the Chair understands the rule.

Mr. OVERMAN. The Chair can hear me, I suppose. He has the right to do it.

Mr. SMOOT. Not on an appeal.

Mr. OVERMAN. On a question of order.

The PRESIDENT pro tempore. Does the Senator from North Carolina desire to debate the question?

Mr. OVERMAN. I desire to inform the Chair, and perhaps after he hears my statement he will reverse his ruling.

The PRESIDENT pro tempore. The Chair has already ruled upon the question.

Mr. OVERMAN. I understand that, but sometimes occupants of the chair reverse their rulings.

The PRESIDENT pro tempore. There may be an appeal from the decision of the Chair, but, as the Chair understands, the question is now for the Senate to determine. It is not a debatable question.

Mr. OVERMAN. The question is debatable.

The PRESIDENT pro tempore. It is not a debatable question.

Mr. LENROOT and Mr. OVERMAN. Why not?

The PRESIDENT pro tempore. The Senator can appeal from that decision also.

Mr. OVERMAN. An appeal is always debatable.

Mr. ASHURST. Mr. President, I am sure the Chair wants to be fair, and is fair, but I am certain he is temporarily in error. An appeal from the decision is debatable. I beg pardon of the Chair for the bald statement. I know that the Chair is uniformly fair, and wishes to be fair in this case.

The PRESIDENT pro tempore. The Chair wishes to decide all questions in accordance with the rules of the Senate.

Mr. ASHURST. With due deference to the Chair, I think the appeal is debatable.

The PRESIDENT pro tempore. On further consideration the Chair is inclined to think that the Senator from North Carolina is right and that the question is open to debate.

Mr. OVERMAN. Mr. President, I do not wish to be unduly persistent in this matter, but I do desire that my position in reference to it shall be known. I have been a member of the Committee on Appropriations for about 15 years. I have sometimes been called "the watchdog of the Treasury," but not so, Mr. President. However, I, together with my colleagues on the committee, have saved the Government millions of dollars by having such items as this cut out of appropriations bills. And I am sorry we did not cut this appropriation out in committee.

In order to show that I am not prejudiced in the matter, I desire to say that for 15 years I have supported every appropriation which has been proposed for Howard University. I was very much gratified on Friday last when three prominent colored men, representatives of leading churches of the city, came to me and said, "Mr. OVERMAN, we have always understood that you were the colored man's friend." I asked, "Where are you from?" They replied, "All three of us were educated at a college in your town." I have supported that college with my purse and with my sympathy.

I was reminded that 40 years ago, when the question came up of segregating the funds derived from taxes so that those which were paid by the white men should be used only for educating white people and only the funds derived from the taxation of colored people should be used for educating colored people, I fought the proposition, and succeeded in killing it. Those people remembered that. So the colored people in my State have been treated fairly and squarely; they have been educated and encouraged in every possible way. That statement of my position, Mr. President, shows that I am honest in this matter, and that I am now opposing this appropriation because there is no authority in law for it. Indeed, it is admitted on this floor, Mr. President, that there is no authority for this appropriation.

What is the history of this proposed appropriation? In the Appropriations Committee we found an estimate for \$800,000 for the support of Howard University. I voted for an appropriation of \$300,000.

Mr. SMOOT. The total estimate was for over \$900,000.

Mr. OVERMAN. The total estimate, as the Senator from Utah suggests, was over \$900,000. I voted for an appropriation of \$125,000 for the salaries of officers, professors, and teachers, and for ice and stationery, and so on; for an appropriation of \$30,000 for tools, material, salaries of instructors, and so forth; for an appropriation of \$9,000 for the medical department; for an appropriation of \$5,000 for material and apparatus, and so forth; for an appropriation of \$3,500 for books, shelving, furniture, and so forth; for an appropriation of \$20,000 for improvement of grounds and repair of buildings; for an appropriation of \$15,000 for fuel and light; in short, for everything that was asked for the maintenance of Howard University.

Mr. President, I know there is a crying need and there has been a clamor for public buildings in every State and town in the Union; that there is a clamor for great buildings here in Washington; that there is a clamor for the soldiers' bonus; and the present condition of the Treasury caused me to raise the point that this appropriation had not been authorized by

law. Apparently somebody stepped into the Treasury Department and suggested that General Lord and the Budget Bureau send the estimate down for the purpose of making the amendment in order.

Who did it? Was it done by any Member of Congress? The Budget Bureau ought to be investigated. They have no more power than have I to send down to Congress an estimate for an appropriation that is not authorized by law, and thereby seek to make it in order, for there is nothing in the law which gives them that right. The law prescribes what they shall do. The law prescribes that they shall compute and ascertain the probable amount of the revenues of the Government, then ascertain what is needed for the legitimate expenses of the Government under authorization of law, and send that information down to the Committee on Appropriations.

Mr. President, ever since I have been here, for 15 years, I have fought to hold down appropriations to the legitimate ends of government and to supply the legitimate needs of the Government. Now it is proposed that we shall appropriate \$500,000 for a purpose that Congress has not authorized. I apprehend the appropriation has been suggested by some one at the Treasury Department and perhaps by somebody higher up than the Budget Bureau. Why should we do it? Why not appropriate \$500,000 for the erection of a public building in some State? Why not appropriate for the soldiers' bonus? Why not appropriate other millions of dollars which are asked for instead of keeping the appropriations down to the legitimate ends of the Government.

Mr. President, from my course here, which I have related, much as I dislike to do so, it is evident that I am not prejudiced in this matter. I have been in favor of the colored man being educated. I have helped him; I have encouraged him. The fact that three of them from the college in my town came here and expressed entire satisfaction with my course in this matter demonstrates the rectitude of my position. When I told them I had voted for the appropriations I have mentioned they stated that they were perfectly satisfied; that they had not at first understood my position; that they had been misled by what they had seen in the newspapers to the effect that I was fighting the appropriation for Howard University. Those three men, who were my friends, whom I had helped, stated that they were satisfied.

I believe from the evidence that Doctor Durkee himself was satisfied with what we gave him and did not ask for this additional appropriation of \$500,000.

I am going to read from his testimony. I wish to say, with the permission of the Senate, that those representing Howard University did not press the \$500,000 appropriation. In the House, on a point of order, the item of \$207,000 was stricken out, and that is what those representing the university were interested in, and they came before the committee in the effort to have that item restored. I voted for it, but I repeat they did not, before the committee, press for the \$500,000 appropriation. I shall not read all the testimony, but Doctor Durkee, a very good man, an able man, and a great preacher, came before the committee and testified. He referred to what the House had done in reference to knocking out the item of \$207,000 and requested that it be restored, but said hardly a word about the \$500,000. I quote from his testimony before the committee:

Senator SMOOT. Was there anything else, Doctor Durkee, that you wanted to say other than that which is printed in the House hearings?

Doctor DURKEE. It was simply, sir, to request that the amount—
Senator SMOOT. You want the amount restored which the House committee recommended?

Doctor DURKEE. Just restored, sir. We are not asking for anything more.

That is the testimony of Doctor Durkee himself; he was requesting merely the item of \$207,000. He wanted that item restored, and said they were asking for nothing more.

One of the members of the committee asked him about the House hearing, where he did go into the question of the \$500,000 appropriation. He referred to that and said he would like to have it and supposed it was in order because it had been estimated for. I quote again from the hearings:

Senator SMOOT. It was never acted on.

Doctor DURKEE. The \$500,000 was never acted on; but as, of course, the Budget makes report to the Senate, I presume it is entirely competent for the Senate, if it cares to do so, just to examine the whole thing; but we have been particularly pleading that the amount of \$207,500 be restored, or else it will mean crushing the university.

Take this testimony and read it and it will be seen that all he asks for is the item of \$207,000. As I have said, I voted for it, and the committee allowed it. Then, however, by a majority of one vote, the Committee on Appropriations proposed to allow \$500,000 more for an item which, although it has been sent down here, is not authorized by law.

Mr. LENROOT obtained the floor.

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER (Mr. CURTIS in the chair). Does the Senator from Wisconsin yield to the Senator from Arkansas?

Mr. ROBINSON. I wish the floor in my own right.

Mr. LENROOT. Mr. President, I wish to indorse to the very fullest extent all the Senator from North Carolina has said with reference to his own attitude concerning appropriations generally and his service upon the Appropriations Committee. I am sure that no Senator who is acquainted with his service feels otherwise than that he has no ulterior motive in making the point of order, but it has been made in accordance with his general rule of protecting the Treasury.

But, Mr. President, the question presented by the Senator from North Carolina is a very important one. If this were the only instance in which the Budget may have sent an estimate to Congress that was not authorized by law—in other words, that did not have a legislative foundation—I should be very much inclined to agree with the Senator from North Carolina, but I want to call his attention to the fact that in this very bill there are no doubt dozens and dozens of items—and the same thing is true of every appropriation bill—for which estimates are submitted but for which there is no authority of law. The Senator must know that in the House of Representatives, under the rules that obtain there, very often there are stricken out on points of order whole pages of appropriations that have been reported in appropriation bills, but they are always restored in the Senate and are estimated for by the Budget. So that, Mr. President, if we adopt a rule that no appropriation shall be made, although the estimate comes in from the Budget Bureau, unless there is authority of law for the appropriation, we will be kept very busy in considering each appropriation bill striking out appropriations which are absolutely necessary to carry on the Government. The Government, I say, could not run efficiently if that rule were applied strictly to all the appropriations that are made by the Congress.

That being so, Mr. President, I am inclined to give to the rule the construction, not that it relates back to authority of law to make the estimate, but that it relates only to the estimate being sent to the Congress in the manner authorized and directed by law, and that has been done in this case. Therefore it satisfies the requirements of the rule.

The PRESIDING OFFICER (Mr. FESS in the chair). The Chair will ask the Senator from Mississippi on what question the appeal is taken.

Mr. HARRISON. The question is on the appeal from the decision of the Chair of yesterday touching the question that the estimate was not submitted in accordance with law.

The PRESIDING OFFICER. The question is, therefore, Shall the decision of the Chair stand as the judgment of the Senate?

Mr. LENROOT. Upon that I demand the yeas and nays.

The yeas and nays were ordered and the reading clerk proceeded to call the roll.

Mr. DALE (when his name was called). I have a pair with the junior Senator from Mississippi [Mr. STEPHENS], which I transfer to the junior Senator from Kansas [Mr. CAPPER], and will vote. I vote "yea."

Mr. LODGE (when his name was called). I have a general pair with the Senator from Alabama [Mr. UNDERWOOD]. I transfer that pair to the Senator from Vermont [Mr. GREENE], and will vote. I vote "yea."

Mr. SIMMONS (when his name was called). Making the same announcement as on a previous vote, and the same transfer of my pair, I vote "nay."

Mr. SMITH (when his name was called). I have a general pair with the Senator from South Dakota [Mr. STERLING]. I transfer that pair to the Senator from Missouri [Mr. REED], and will vote. I vote "nay."

The roll call was concluded.

Mr. ASHURST. I desire to announce that the junior Senator from Massachusetts [Mr. WALSH] is unavoidably absent. If present, he would vote "yea."

Mr. ERNST. I transfer my general pair with the senior Senator from Kentucky [Mr. STANLEY] to the senior Senator from Maryland [Mr. WELLER], and will vote. I vote "yea."

Mr. JONES of New Mexico. I transfer my general pair with the Senator from Maine [Mr. FERNALD] to the Senator from Tennessee [Mr. SHIELDS], and will vote. I vote "nay."

Mr. HARRISON. My colleague [Mr. STEPHENS] is paired with the junior Senator from Kansas [Mr. CAPPER]. If my colleague were present, he would vote "nay."

Mr. CURTIS. I desire to announce the absence of the senior Senator from Maryland [Mr. WELLER]. If present, he would vote "yea" on this question.

I also desire to announce the following pairs:

The Senator from Illinois [Mr. McCORMICK] with the Senator from Oklahoma [Mr. OWEN]; and

The Senator from New York [Mr. WADSWORTH] with the Senator from Utah [Mr. KING].

The result was announced—yeas 49, nays 18, as follows:

YEAS—49.

Adams	Edge	Keyes	Pepper
Ball	Edwards	Ladd	Phipps
Borah	Elkins	La Follette	Ralston
Brandeggee	Ernst	Lenroot	Reed, Pa.
Brookhart	Ferris	Lodge	Smoot
Bruce	Fess	McKinley	Spencer
Bursum	Frazier	McLean	Walsh, Mont.
Cameron	Gooding	McNary	Warren
Copeland	Hale	Moses	Watson
Couzens	Howell	Neely	Willis
Curtis	Johnson, Minn.	Norbeck	
Dale	Jones, Wash.	Norris	
Dill	Kendrick	Oddie	

NAYS—18.

Bayard	Harris	Mayfield	Simmons
Broussard	Harrison	Overman	Smith
Dial	Heflin	Pittman	Trammell
Fletcher	Jones, N. Mex.	Ransdell	
Glass	McKellar	Sheppard	

NOT VOTING—29.

Ashurst	Greene	Shields	Underwood
Capper	Harrell	Shipstead	Wadsworth
Caraway	Johnson, Calif.	Shortridge	Walsh, Mass.
Colt	King	Stanfield	Weller
Cummins	McCormick	Stanley	Wheeler
Fernald	Owen	Stephens	
George	Reed, Mo.	Sterling	
Gerry	Robinson	Swanson	

So the decision of the Chair was sustained.

The PRESIDING OFFICER. The question now is on the amendment offered by the Senator from Wisconsin [Mr. LENROOT].

The amendment was agreed to.

Mr. LENROOT. Mr. President, I now offer a further amendment. At the end of line 21, page 102, I move to insert the following:

For equipment for additions to medical school buildings, \$130,000.

The PRESIDING OFFICER. The amendment will be stated. The READING CLERK. On page 102, after line 21 and the amendment just agreed to, it is proposed to insert:

For equipment for additions to medical school buildings, \$130,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. LENROOT. Mr. President, I should like to ask a question concerning the salary of the Governor of Hawaii. Seven thousand dollars is appropriated for that purpose, and I find that the law provides for a salary of \$10,000. Will the Senator explain why the law is not carried out?

Mr. SMOOT. Mr. President, I have not looked up the law, but I do know that the appropriation of \$7,000 has been made for years and years past. It is estimated at \$7,000, and no question has ever been raised before the committee about increasing it.

Mr. LENROOT. I think probably it arises through error, because the organic act was amended in 1921, and I want to read section 92:

That the following officers shall receive the following annual salaries, to be paid by the United States: The governor, \$10,000.

Of course, there would be a claim for the difference, and it ought to be appropriated for, that being the fixed amount prescribed by law.

Mr. SMOOT. I will say to the Senator that there never has been a claim made for the higher amount. We have never received a letter on the subject from the governor, and I know that we have only appropriated \$7,000 per annum for the governor since long before that law passed, and also since it was passed.

Mr. LENROOT. What does the Senator say about the fixed salary being provided for by law and our not appropriating for it? There certainly is a claim against the Treasury for the additional \$3,000. I suggest that the matter go to conference, and I will offer an amendment making it \$10,000.

Mr. SMOOT. I will accept that amendment with the view of going to conference with it, and then we will find out just why there has not been a claim made for it.

Mr. LENROOT. Very well, I offer the amendment, Mr. President.

The PRESIDING OFFICER. The amendment will be stated. The READING CLERK. On page 28, line 8, after the word "Governor," it is proposed to strike out "\$7,000" and insert "\$10,000."

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Wisconsin.

The amendment was agreed to.

Mr. HARRISON. Now, Mr. President, I should like to have the Senator from Utah be as good and kind to me as he was to the Senator from Wisconsin, and accept an amendment to go to conference.

Mr. SMOOT. The Senator knows that I will do anything in the world I can for him.

Mr. HARRISON. This is a good time to test the Senator. I offer the amendment which I send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The READING CLERK. On page 47, after line 13, it is proposed to insert the following:

For the construction, equipment, and maintenance of a hospital for Indians at Philadelphia, Miss., and for incidental and all other expenses necessary for its proper conduct and management, including pay of employees, \$25,000.

Mr. HARRISON. Mr. President, may I say that these poor unfortunates are in distress. They have no palatial school buildings. They have no equipment already installed. There is nothing to take care of them. There are just about 2,000 unfortunate Indians down there in Mississippi who need some relief. This amendment carries an appropriation of only \$25,000 to erect a hospital for them. In view of the action of the Senate in just appropriating some half-million dollars to erect buildings out here for Howard University, I am quite sure, to keep up a consistent record, that they will give \$25,000 to these unfortunate Indians.

Mr. SMOOT. I must keep up a consistent record, and, of course, I am compelled to make a point of order against the amendment.

Mr. HARRISON. I am very sorry the Senator makes the point of order.

Mr. SMOOT. I am compelled to do it.

Mr. HARRISON. I am not as fortunate as the Senator from Wisconsin was. I have not been able to bring pressure to bear on the departments of the Government to induce them to give me an estimate to go to the bureau, and consequently I have no estimate provided. If the Senator, with the strong influence that he exerts, wants to raise the point of order, I have to submit; but my poor people down there go without hospital facilities.

Mr. SMOOT. I am compelled to make the point of order.

The PRESIDING OFFICER. The point of order is sustained.

Mr. DIAL. Mr. President, while we are discussing the question of schools, I desire to state that I have been informed that some of the public schools in this city are still short of sufficient lighting facilities, and that is a matter which should be taken up and remedied.

Mr. ASHURST. Mr. President, yesterday an item on page 84, a committee amendment, engaged the attention of the Senate nearly all afternoon, and I have no disposition whatever to revive the question, if I could, but I am going to propose an amendment, so that it may go to conference. It has relation to the building of a road from the village of Main, on the old Santa Fe trail, up to the south boundary of the Grand Canyon. It in no sense revives the controversy which my worthy colleague and I had yesterday. I have submitted the amendment to him, and he advises me he is prepared to vote for it. It does not in any way, form, or fashion, here or elsewhere, revive the controversy which we had yesterday. It reads:

For the construction, repair, and maintenance, under the direction of the Secretary of the Interior, of an approach road from Main, Ariz., to the south boundary of the Grand Canyon National Park, \$100,000.

The item on page 84 for the purchase of the Bright Angel trail will, of course, be in conference. It seems to me that the conferees ought to have liberty of movement and action, and that it would be wise to have this amendment go to conference also. Of course, I do not apprehend, do not want, or expect, that \$200,000 would be appropriated or agreed upon by the conferees, but I want them to have full liberty of action. Therefore, I offer the amendment, in order that it may go to conference to be considered.

Mr. SMOOT. Mr. President, I am compelled to make a point of order against the amendment.

The PRESIDENT pro tempore. The Secretary will report the amendment.

Mr. ASHURST. Let it be reported.

Mr. SMOOT. Certainly. The Senator has just read it.

The READING CLERK. The Senator from Arizona proposes to insert, in the proper place, the following:

For the construction, repair, and maintenance, under the direction of the Secretary of the Interior, of an approach road from Main, Ariz., to the south boundary of the Grand Canyon National Park, \$100,000.

Mr. ASHURST. Mr. President, of course, if my friend, the able Senator from Utah, makes a point of order and resists, and with contempt rejects, any approach I make looking toward a settlement of the question I can not help it. I have done my best, and I have been acting in good faith, so that when he gets into conference he will not be hedged into a Procrustean bed of fixity, but will have some latitude in which he can move as a conferee.

Mr. SMOOT. Mr. President, the only thing I object to is the Senator's statement that I reject this amendment with contempt. I have no contempt about the matter.

Mr. ASHURST. I know the Senator has not toward the item, but from the gesture with which the Senator made the point of order it looked as if he spurned any suggestion of settlement or compromise.

Mr. SMOOT. I am not spurning it.

Mr. ASHURST. I will withdraw the amendment.

The PRESIDENT pro tempore. Does the Senator from Utah make a point of order?

Mr. SMOOT. I do.

The PRESIDENT pro tempore. What is the point of order?

Mr. SMOOT. That it has not been estimated for.

Mr. ASHURST. I freely admit it is subject to a point of order.

The PRESIDENT pro tempore. The point of order is sustained.

Mr. ASHURST. I have one other amendment to offer, Mr. President, and I will take but a moment of time on it. In 1916 Congress authorized the construction of a diversion dam, with necessary controlling works, to irrigate 55,000 or 60,000 acres of Indian land, not an acre of land owned by whites, but all Indian land. The project is nearly complete. It requires about \$300,000 more to complete it. The force is at work now. Their appropriation is about exhausted. If the force doing the work shall be scattered, if the teams of horses are taken away, it will cost the Government nearly \$70,000 to reassemble this force to resume the work.

I have here a letter signed by President Coolidge urging this appropriation, which I will read. It is as follows:

THE WHITE HOUSE,
Washington, February 15, 1924.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES.

SIR: I have the honor to transmit herewith for the consideration of Congress a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1924, pertaining to the Indian Service, amounting to \$300,000.

The details of this estimate, the necessity therefor, and the reason for its submission at this time are set forth in the letter of the Director of the Bureau of the Budget transmitted herewith, with whose comments and observations thereon I concur.

Respectfully,

CALVIN COOLIDGE.

Then here is a letter signed by H. M. Lord, Director of the Bureau of the Budget, as follows:

BUREAU OF THE BUDGET,
Washington, February 15, 1924.

SIR: I have the honor to submit herewith for your consideration, and upon your approval for transmission to Congress, a supplemental estimate of appropriation for the Department of the Interior for the fiscal year 1924, for completing the dam, with bridge superstructure, across the Gila River on the Gila Indian Reservation in Arizona, amounting to \$300,000.

In support of this estimate the Secretary of the Interior, in a letter dated February 13, 1924, states as follows:

"Construction of the project was authorized by the act of May 18, 1916 (39 Stats. 129), and by the act of February 14, 1920 (41 Stats. 408), the cost was limited to \$400,000. Actual construction work was started in the spring of 1922 and has been continued as rapidly as conditions would permit. The available funds out of the sums appropriated will be exhausted about the 1st of April.

"This project consists of a floating or Indian type weir, the fore apron of which is used to protect the piers supporting the bridge. Water is prevented from passing around the exposed end of the structure by a guide bank extending up the river at nearly right angles to the dam. This guide bank is of earth fill, heavily

armored with rock. The dam is protected on the downstream face by a broad, heavy talus of rock, and the dam rests on two rows of sheet piling totaling 3,000 feet in length. The bridge piers are supported by some 300 piles. At the present time all the piles have been driven and the guide bank and talus have been completed, which contains 120,000 cubic yards of rock. The work remaining to be performed is the placing of the concrete forming the dam and bridge and the construction of the necessary dikes to complete the structure. The work is now protected by temporary dikes, and unless construction work is continued there is grave danger of floods destroying that which has been accomplished.

"At the time the original estimates were prepared for this project there was a distance of 1,200 feet between the banks of the river. Due to erosion this distance has been increased to 2,400 feet, which doubles the quantity of work required in the construction, and since the cost of material, labor, and freight has greatly increased, it will be necessary to obtain additional funds to complete the project.

"The closing down of the work on the 1st of April, which will be necessary if funds are not made available, will result disastrously in that no benefit can be derived from the money already expended, and there will be grave danger, by reason of floods, of total destruction of the work already accomplished, making the total sum expended a complete loss. You will therefore see the exigency of the item."

The cost of this work is at present limited to \$400,000. This amount has been appropriated and will be exhausted in a short time. The reasons for the increase in cost are given in the letter from the Secretary of the Interior quoted above. The additional amount of \$300,000 is for the completion of the project. On the assurances of the Indian Service that the work will be fully completed on or before June 30, 1925, the estimate contains provisions increasing the limit of cost to \$700,000 and making the additional \$300,000 available until the end of the fiscal year 1925.

The above estimate of appropriation is required to meet an unforeseen contingency arising during the fiscal year indicated and since the transmission of the Budget for that year.

Approval of the estimate is recommended.

Very respectfully,

H. M. LORD,

Director of the Bureau of the Budget.

The PRESIDENT.

I can say no more. The argument is fully stated there, without the loss of a word, and I can say nothing else. Let this go to conference.

Mr. SMOOT. Mr. President, I agree with every word in this report, and I have no doubt but that the appropriation will be made, but it will be made in regular order. To-day the House is holding hearings on the first deficiency appropriation bill, and this is an appropriation for a deficiency of 1924. We are appropriating in this bill for the year 1925; I assure the Senator from Arizona that I am in full accord with every word that is said here. I have no doubt but what it will be in the deficiency bill, and will be passed before the 1st of April.

Mr. ASHURST. I thank the Senator.

Mr. SMOOT. Therefore, I shall have to make a point of order against it; or, if the Senator will withdraw it, I would prefer to have him do that.

Mr. ASHURST. I withdraw the amendment, because the Senator has so frankly and so manfully stated that he believes and thinks it will become a law before the 1st of April. I will not put him to the trouble of going into the RECORD with a point of order, and I withdraw the amendment.

Mr. JONES of Washington. Mr. President, on page 34, lines 13 to 17, there is provided an appropriation of \$5,000 for the operation and maintenance, including repairs, of the Toppenish-Simco irrigation system, on the Yakima Reservation, Washington.

This is a part of a project that was provided for several years ago. When it was first provided for, my recollection is that it was estimated that the part that was to be taken up at that time would cost \$200,000, and appropriations have been made to that extent, and to that extent the project was completed. This \$5,000 is for maintenance and operation. As I said, however, that is only a part of what it was intended should ultimately be reclaimed, and there are about 17,000 acres more which it is possible to reclaim, and which ought to be reclaimed.

The Department of the Interior recommended to the Budget an appropriation of \$200,000 for the extension of this project, but that was not submitted by the Budget to Congress.

The situation on that project, however, is pressing. These lands are very productive, and their reclamation for the benefit

of the Indians is extremely important. I have a telegram here relating to the matter, in which it is stated:

Failure to get construction funds for Toppenish-Simco unit of Wabato project this would mean waiting another year for eleven hundred people eleven hundred years wasted life department recommended \$200,000 Budget cut to \$75,000.

The sender of this telegram was mistaken in that last statement. The Budget estimated \$25,000, but that was for operation and maintenance and not for extension. I desire to offer the amendment which I send to the desk.

Mr. McKELLAR. What did the original law provide, and has it been fully carried out? Could these extensions be made under the law?

Mr. JONES of Washington. The original project, which we authorized to the extent of \$200,000, has been appropriated for, and what was to be done with that money has been completed. The \$5,000 proposed here is for maintenance and operation of that part of the work. The amendment I have offered proposes an extension.

The PRESIDENT pro tempore. The amendment will be read.

The READING CLERK. On page 34, line 13, after the word "for," insert the word "extension," and in line 17 strike out "\$5,000" and insert "\$55,000," so as to read:

For extension, operation, and maintenance, including repairs of the Toppenish-Simco irrigation system, on the Yakima Reservation, Wash., reimbursable as provided by the act of June 30, 1919 (41 Stat. L. p. 28), \$55,000.

Mr. SMOOT. I am compelled to make the point of order against the amendment that it has not been estimated for.

The PRESIDENT pro tempore. What has the Budget estimated upon the matter?

Mr. JONES of Washington. The Budget has estimated \$25,000 for operation and maintenance, including repairs. I must say that it has not submitted any estimate for extension of the project. I am sorry that I have to admit that, but it is the fact. I am sorry the Senator from Utah feels that he has to make the point of order.

Mr. SMOOT. It is just the same as a point of order made against other projects that have been presented on the floor during the consideration of the bill.

The PRESIDENT pro tempore. The Chair sustains the point of order. If there be no further amendments to propose as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

Mr. SMOOT. I move that the Senate insist on its amendments and request a conference with the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the President pro tempore appointed Mr. SMOOT, Mr. CURTIS, and Mr. HARRIS conferees on the part of the Senate.

RELIEF OF AGRICULTURAL DISTRESS IN NEW MEXICO.

Mr. JONES of New Mexico. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the joint resolution (S. J. Res. 52) for the relief of the drought-stricken farm areas of New Mexico.

The PRESIDENT pro tempore. The Senator from New Mexico asks unanimous consent for the present consideration of Senate Joint Resolution 52.

Mr. JONES of Washington. Let it be reported.

The PRESIDENT pro tempore. The Secretary will read the joint resolution for information.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Adams	Cummins	Gerry	McKellar
Ashurst	Curtis	Glass	McNary
Ball	Dale	Harris	Moses
Bayard	Dial	Harrison	Neely
Borah	Dill	Heflin	Norbeck
Brandeggee	Edge	Howell	Norris
Brookhart	Elkins	Johnson, Minn.	Oddie
Broussard	Ernst	Jones, N. Mex.	Overman
Bruce	Ferris	Jones, Wash.	Pepper
Bursum	Fess	Kendrick	Phipps
Cameron	Fletcher	Keyes	Ransdell
Copeland	Frazier	Ladd	Reed, Pa.
Couzens	George	Lodge	Robinson

Sheppard
Smith
Smoot

Spencer
Stanley
Trammell

Warren
Watson
Wheeler

Willis

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Sixty-two Senators have answered to their names. There is a quorum present. The Senator from New Mexico asks unanimous consent for the present consideration of Senate Joint Resolution 52.

Mr. CURTIS. Let it be reported.

The PRESIDING OFFICER. The Secretary will read the joint resolution.

The reading clerk read the joint resolution.

The PRESIDING OFFICER. Is there objection to the request of the Senator from New Mexico?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the joint resolution (S. J. Res. 52), which had been reported from the Committee on Agriculture and Forestry with an amendment.

Mr. JONES of New Mexico obtained the floor.

Mr. BURSUM. Mr. President, will my colleague yield?

The PRESIDING OFFICER. Does the Senator from New Mexico yield to his colleague?

Mr. JONES of New Mexico. I yield.

Mr. BURSUM. I am just in receipt of a telegram relating to the joint resolution now pending, from the farmers and business men of Mountainair, N. Mex., which reads as follows:

MOUNTAINAIR, N. MEX., February 23, 1924.

Hon. H. O. BURSUM,

United States Senate, Washington:

Condition of farmers and merchants in Estancia Valley exceedingly critical and serious. Local banks unable to assist. The absolute financial requirements for feed, seed, and groceries can not possibly be met by local financing institutions. Some relief must be had immediately or 75 per cent of farmers must leave this valley. We urgently implore you to use every effort possible to secure the passage of JONES'S Joint Resolution No. 30, and we heartily indorse your bill authorizing War Finance to extend practical assistance.

ROMENDO ROMERO,

D. W. WOMACK,

JOHN H. DOYLE,

M. B. CONDREY,

G. O. CALDWELL,

D. T. MCCULLOH,

J. J. WHITE,

C. E. BIGELOW,

W. R. ORME,

FREDERICO CHAVEZ,

MARSHALL ORME,

Relief Committee.

I have another telegram, dated at Albuquerque, from the Albuquerque Chamber of Commerce, as follows:

ALBUQUERQUE, N. MEX., February 23, 1924.

Senator HOLM O. BURSUM,

Washington, D. C.:

Our farmers in Estancia Valley badly in need of funds for planting crop this year. Plenty moisture for a good crop but no funds. We would appreciate your efforts in securing Jones measure providing loan.

ALBUQUERQUE CHAMBER OF COMMERCE,

D. B. MCKEE, Secretary.

I also have another message from Albuquerque from the Nash Electrical Supply Co., which is as follows:

ALBUQUERQUE, N. MEX., February 24, 1924.

Senator H. O. BURSUM,

Washington, D. C.:

We respectfully request you use your utmost endeavor to secure passage of the Jones bill now before Congress. Entire farming population Estancia Valley in desperate need of immediate financial assistance for seed and personal needs until new crop is made.

NASH ELECTRICAL SUPPLY CO.,

By M. NASH.

Mr. JONES of New Mexico. Mr. President, we had this joint resolution before the Senate for consideration two or three weeks ago, and there intervened the various discussions to which we have all listened during the days when we have had before the Senate the appropriation bill which has just been passed. At the time the joint resolution was previously under consideration I made rather an extended statement regarding its merits. I do not care to impose upon the Senate any lengthy statement now unless it should be absolutely necessary.

The joint resolution was referred to the Committee on Agriculture and Forestry. We had extensive hearings before that committee, and the joint resolution now comes before the Senate with the unanimous report and support of the Committee on Agriculture and Forestry. The facts and circumstances were gone into at that time. I have on my desk now a number of telegrams and letters regarding the situation which the resolution is designed to meet, and I have never been ac-

quainted with a situation which came with such touching appeal as does the one which is now presented to the Senate. I do not wish to take up the time of the Senate in the discussion of the joint resolution, but I am willing to do that if any Senator should desire to have further information upon the subject.

Mr. ROBINSON. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Arkansas?

Mr. JONES of New Mexico. I am glad to yield.

Mr. ROBINSON. I have been informed that an emergency condition exists in the State of New Mexico and that that condition is practically State-wide; that there have been a large number of bank failures; that it is impracticable to resume farming operations unless some arrangement is made to finance such operations from outside of the State; and that the crop failures, incident to the lack of moisture during recent seasons, have brought about a situation that justifies an extraordinary remedy. Is that correct?

Mr. JONES of New Mexico. The Senator from Arkansas is correct; and he would be justified in putting all the emphasis possible upon his statement.

Mr. SMOOT. Mr. President—

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Utah?

Mr. JONES of New Mexico. I yield.

Mr. SMOOT. Mr. President, I am fully aware of the awful drought which has visited New Mexico not only during the past year but during the previous year also. I have not the least objection to this proposed appropriation, but I think there are one or two provisions which should be changed. I notice the joint resolution provides—

And not more than \$15,000 may be used in the District of Columbia by the Secretary of Agriculture in the administration of this act.

Mr. President, that sum, I think, is altogether out of proportion. I do not think it will require \$15,000 to hire people here in the District of Columbia to administer the proposed loans. The Senator from New Mexico knows that it would not cost half that to have a bank attend to the matter.

Not only that, but I do not think we ought to take any money out of this appropriation other than that which is absolutely necessary. The entire amount should be available for loans. It does seem to me, therefore, with no office rent to pay and, perhaps, no extra help to employ but merely assigning the work to some division of the Agricultural Department, \$7,500 would be sufficient to cover every possible necessary expenditure. I do not wish to put the amount too low, but I should like every dollar of the money proposed to be appropriated to go to the purpose which Congress has in view, and that is to help the farmers in New Mexico.

Mr. JONES of New Mexico. I fully appreciate the expressions of the Senator from Utah, but I will say that the amount for administration carried in the joint resolution was fixed after conference with the Department of Agriculture. I know nothing about what it will cost, but the amount was suggested by the Department of Agriculture. If the Senator from Utah believes that the matter can be handled for less, I am quite willing to accept his judgment in reference to the subject.

Mr. SMOOT. I know that if the \$15,000 be appropriated by the joint resolution to be expended by the Department of Agriculture it will be very easy, indeed, to have some one who is doing other work assigned to administer the provisions of the joint resolution and pay him out of that sum.

Mr. President, I wish it distinctly understood that I would not cramp the department for the need of a dollar; but I do not see how it is possible for the department to expend more than \$10,000. I therefore offer an amendment to strike out "\$15,000" and to insert "\$10,000."

The PRESIDING OFFICER. The Senator from Utah offers an amendment, which will be stated.

The READING CLERK. In section 2, page 3, line 1, after the words "more than," it is proposed to strike out "\$15,000" and to insert "\$10,000."

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah.

The amendment was agreed to.

Mr. JONES of New Mexico. Mr. President, I now ask that the committee amendment to the joint resolution may be stated.

The PRESIDING OFFICER. The Secretary will state the committee amendment.

The READING CLERK. In section 1, page 2, line 3, after the word "seed," it is proposed to strike out "and such other pur-

poses" and to insert "feed, food, and for actual farming expenses, not including the purchase of equipment," so as to read:

That the Secretary of Agriculture is hereby authorized, for the spring and fall planting of 1924, to make advances or loans to farmers in the drought-stricken areas of New Mexico, where he shall find that special need exists for such assistance, for the purchase of seed, feed, food, and for actual farming expenses, not including the purchase of equipment, as he may find need for the cultivation of farm lands within the said State, not to exceed in any instance the sum of \$6 per acre.

The amendment was agreed to.

Mr. DIAL. Mr. President, I understand the joint resolution proposes to authorize a direct loan to the individual. Is that correct, I will ask the Senator from New Mexico?

Mr. JONES of New Mexico. The Senator from South Carolina is quite right in his statement.

Mr. DIAL. Who is going to make the loan? What machinery is proposed to be set up for that purpose?

Mr. JONES of New Mexico. The whole matter is to be handled by the Secretary of Agriculture, and the loans are to be made in his discretion for the purposes specified in the joint resolution.

Mr. DIAL. Then will it not be necessary to employ local help in order to make the individual loans?

Mr. JONES of New Mexico. I doubt if it will be necessary to employ any local help to do so, but it may be that it will. The Secretary of Agriculture will be authorized under the joint resolution to do so, but he can get all the voluntary help he desires if he cares to use it.

Mr. SMOOT. Mr. President, will the Senator from South Carolina yield to me?

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Utah?

Mr. DIAL. I yield.

Mr. SMOOT. I have no doubt but that this appropriation will be administered in precisely the same way in which the appropriation for fertilizer was administered in the years past. We have at different times passed three or four appropriation bills for the sale of nitrates that came from Chile, and I do not think the department ever had any trouble about the matter. I think the work of administration has been done by the department itself, without asking for an additional appropriation.

Mr. DIAL. Were not the nitrates sold to the farmers for cash at cost? It was not a sale on credit to individual farmers.

Mr. SMOOT. I think there was a credit, the cash being subsequently paid by the individual farmers.

Mr. SMITH. No, Mr. President.

Mr. SMOOT. I did not say that the individual farmers did not pay for the fertilizer.

Mr. SMITH. I wish to state to the Senator from Utah that I was the author of the law covering the matter to which he has referred. The law provided that the nitrates should be sold for cash, and the cash was paid simultaneously with the delivery of the nitrates, but the Government did not use any outside help for the administration of the act. The Government used the agricultural demonstration agents, who were in the community, for the purpose of receiving and distributing the nitrates.

Mr. SMOOT. That is, the department utilized the agents of the Agricultural Department?

Mr. SMITH. Yes; in order to help the Department of Agriculture in the administration of the matter.

Mr. SMOOT. Then, whatever employees the Agricultural Department has in New Mexico could be used for this purpose.

Mr. BURSUM. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from New Mexico?

Mr. DIAL. I yield.

Mr. BURSUM. I desire to suggest that every county in the State has an agricultural agent under the agricultural college, and there is no trouble to obtain intelligent cooperation as well as reliable information through the several county agricultural agents in the State who may cooperate with the Agricultural Department.

Mr. JONES of New Mexico. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from New Mexico?

Mr. DIAL. I yield.

Mr. JONES of New Mexico. Since the Senator from Utah [Mr. Smoot] has asked his question, I desire to say that I have had my mind refreshed upon the matter which he has discussed. I now state that the Department of Agriculture in handling previous loans has done so through the agricultural agents who

are already in the employ of the Government, principally the agents of the farm-loan banks. The same machinery would be used in regard to these proposed loans as has been used with regard to other similar loans.

Mr. GEORGE. Mr. President—

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from Georgia?

Mr. DIAL. I yield.

Mr. GEORGE. I should like to ask the Senator from New Mexico a question. As I understand the cost of the administration in the District of Columbia is now limited to \$10,000.

Mr. JONES of New Mexico. Yes.

Mr. GEORGE. Is that cost to be absorbed by the borrowers from this fund, or is it to be a loss to the Government?

Mr. JONES of New Mexico. The Secretary of Agriculture will charge interest on the loans, but the whole expense will be taken care of under the general appropriation of a million dollars. As I take it, however, the department will get back sufficient interest to have a margin to cover the expense.

Mr. GEORGE. But it would not get back as principal the \$10,000, or so much of it as might be expended in the District of Columbia?

Mr. JONES of New Mexico. The interest upon the loan would come back to the Treasury.

Mr. GEORGE. I understand that; but the question I ask is, Is the cost of administration in the District of Columbia to be apportioned among the borrowers?

Mr. JONES of New Mexico. There is no provision in the joint resolution for that.

Mr. GEORGE. May I ask the Senator an additional question?

Mr. JONES of New Mexico. Certainly.

Mr. GEORGE. Is this money to be loaned throughout the State or in a particular portion of the State?

Mr. JONES of New Mexico. It is to be loaned throughout the State where, in the discretion of the Secretary of Agriculture, it is necessary.

Mr. GEORGE. Then the same emergency condition exists throughout the State?

Mr. JONES of New Mexico. Indeed it does. I can assure the Senator of that.

Mr. GEORGE. Would the Senator be kind enough to state the extent of bank failures in the State of New Mexico?

Mr. JONES of New Mexico. Mr. President, I am very glad to furnish the information. I must say, however, that it is disheartening even to recall the situation. I have before me a typewritten page, closely written with single space lines, listing the bank failures in New Mexico. The names of the banks are all given and the dates of the failures. I have here also a statement of how the banking capital and resources have been reduced.

Mr. GEORGE. Has the Senator the totals there?

Mr. JONES of New Mexico. I have the totals. For the national banks during the last year the banking resources were reduced from \$40,000,000 to \$35,000,000, a decrease of over \$5,000,000; and for the State banks the banking resources decreased from \$22,000,000 to \$15,000,000, a decrease of about \$7,000,000 in banking resources. In addition to that, further to assure the Senator as to the necessities of the situation, I may say that all the banks which are left have their resources absolutely tied up in a way that will not enable them to make additional loans even in cases where security is offered. The people whom it is desired to aid, however, are without security. For two years they have suffered under the extreme drought conditions there.

The livestock industry has been in a very depressed, indeed disastrous, condition. The cattle growers are nearly all bankrupt. The sheep growers were nearly in that condition, but they have been coming back, if I may use that expression; but owing to the bank failures, the banks have had to conserve all of their resources. I have telegram after telegram from the few banks which are operating and from the governor of the State appealing for this aid.

It was only a few days ago that the Federal reserve system, by airplane, sent into one community there a half million dollars to save the largest bank in the State. There is such a situation there, I believe, as has never existed anywhere else. If a calamity of any kind and of the most serious nature could ever appeal to the Congress of the United States, no more serious situation could be presented than that which exists to-day in my State. It is with exceedingly great regret that I feel called upon to make these statements, for we have resources there; but the population is sparse, and we have been afflicted

by this calamity, which does call upon the Congress of the United States for assistance at least as much as the call to feed the starving people of Russia or any other foreign country for whom we have appropriated money from the Treasury.

Talk about the disasters in San Francisco of a few years ago! They had something to come back with. We are utterly without the means of coming back; and I appeal to the Senator that in justice to these people and to a great element of the citizens of this country the relief should be afforded, and thus enable those people to preserve their homes, raise something, and bring back their resources, and give them an opportunity to progress in that State. It has been estimated by one of the bankers in the city of Santa Fe that the use of this \$1,000,000 would mean at least \$30,000,000 of crops to the people of that State.

Mr. GEORGE. Has the Senator available statistics indicating the number of farmers who would possibly be served by this appropriation?

Mr. JONES of New Mexico. I have an estimate by the representative of the Government at the Agricultural College of New Mexico. He is the statistician and in charge of the county agents. He estimates the number at between five and six thousand people.

Mr. DIAL. People or families?

Mr. JONES of New Mexico. Families—that is, farms.

Mr. DIAL. Mr. President, I sympathize deeply with those people. That goes without saying; but I believe that instead of making this loan it would be better policy to donate some money to these people.

In the debate the other day it developed that the people of New Mexico already owe the United States Government sums heretofore advanced which have not been paid back, I think something like \$1,000,000.

Mr. JONES of New Mexico. No, Mr. President.

The PRESIDING OFFICER. Does the Senator from South Carolina yield to the Senator from New Mexico?

Mr. DIAL. I do.

Mr. JONES of New Mexico. The Senator is in error about that. None of these other loans has ever been made to the people of New Mexico, that I recall; and I want to state this: The Federal farm loan banks have made very large loans, in the aggregate, to the people of New Mexico; and until last year their repayments—their payments of interest and obligations to the Federal farm loan banks—put New Mexico at the head of the list as the State coming nearest to being absolutely free from any further obligations to the banks, which had matured. Those people simply want an opportunity to make something for themselves, and there is not the slightest question but that they will come just as near making their repayments as any people in all this land.

Mr. DIAL. Then I unintentionally fell into error. My recollection was that the Senator from New Mexico said the other day that they were behind some 60 per cent of the payments on some loans.

Mr. JONES of New Mexico. That statement referred to the loans made up in the northwestern part of the United States, up in the Dakotas, in Kansas, and out in the State of Washington, I believe—eastern Washington—and in some of those Northwestern States.

Mr. DIAL. Loans that had been made by the Government?

Mr. JONES of New Mexico. By the Government.

Mr. DIAL. I got it mixed up with the Senator's State.

Now, Mr. President, I should like to ask the Senator from New Mexico if there is any security other than the crop required to secure the loan?

Mr. JONES of New Mexico. There is none provided for. That is the one security which is offered.

Mr. DIAL. That seems to me to be a very loose way for the Government to do business.

As I understand, this bill goes further than any bill that has ever heretofore passed Congress. In the case that my colleague cited awhile ago, where fertilizer was sold to the farmers at cost, they paid cash before delivery. That is indeed quite a different principle from this one. That was proper and should have been done; but for the Government to go into business, into the banking business or into the pawnbroking business, I might say, established a very dangerous precedent.

As we lawyers know, hard cases make bad law. Bad precedents will rise up here to plague us in the future, and I can not give my consent to the passage of this joint resolution.

I do not feel that we have the legal right or the moral right to donate the money of the taxpayers, or to go into the business of banking or merchandising, or the lien business, as we call it down South, lending money on a crop to be raised,

and a crop that is not yet planted. I can not see where that will lead us to. The end would not be in sight.

I hope the joint resolution will not pass; and while it would be violating my conscience somewhat, I would vote to donate those people half a million dollars, and I am not strong on donations. My friend refers to the Russian donation. I voted against it and spoke against it. I did not feel we had a right to do it. This is simply paternalism run mad, and we will be here many days and many months and many years to meet similar bills if this precedent is established.

The condition in my State is not dissimilar from this, but I have not thought it was right to introduce a bill here to lend Government money directly to the farmers or to the merchants or to any other class of our people. Why not lend it to the fertilizer manufacturers, to the mill interests, or to the shoe factories, or to other industries over the country, to keep them from closing down and throwing people out of employment, if we are going to lend it to one class of people?

In my State during the last few years 9,000 farmers quit their farms and moved to town, to mill towns and other towns, anywhere they could get work. They absolutely failed at farming. Everything that they had was sold out. The boll weevil simply ate us up for several years down there, and is still continuing its ravages. One acre out of every six in South Carolina that was in cultivation two or three years ago was not in cultivation last year.

Why, Mr. President, a great many people just abandoned their farms and left their crops. They could not farm at all. That is the case all over the South. It is not peculiar to one section of our country alone. I can not see where we will end if this precedent is established; and then we might just as well let the United States Government go into the general banking business, and take care of everybody who has some misfortune. I hate to say anything against this measure. My good friend from New Mexico [Mr. JONES] is a sound legislator, and I venture to say that it took him a good, long while to get his own consent to advocate this principle. So, Mr. President, the fate of this measure is left to the Senate; but I must enter my protest against it. I do not feel that we are doing our duty to the taxpayers of this country in making a new departure, going farther than we have ever gone heretofore, at the very time when we are trying to get business stabilized and get people back on their feet, and at the time when we are trying to reduce taxes and see if we can not lessen the burdens of the people, so that we will bring back prosperity all over the country.

I hope the joint resolution will not pass.

Mr. JONES of New Mexico. Mr. President, I beg to assure my very warm friend from South Carolina that I should not be advocating this joint resolution unless the necessity were extreme.

Mr. DIAL. The necessity is great, no doubt.

Mr. JONES of New Mexico. At the suggestion of the Department of Agriculture, I desire to offer an amendment. On page 2, line 12, I move to strike out the period and insert the matter which I send to the desk.

The PRESIDING OFFICER. The Senator from New Mexico offers an amendment, which will be stated by the Secretary.

The READING CLERK. On page 2, line 12, after the word "designate," it is proposed to insert the following:

and to give a valid lien on the growing crops to be produced from money obtained through such loan or advance in manner and form as required by the laws of New Mexico, which said lien, when recorded, shall have priority in payment over all other liens or encumbrances of whatsoever kind on such crops.

The amendment was agreed to.

The joint resolution was reported to the Senate as amended, and the amendments were concurred in.

Mr. DIAL. Mr. President, I should like to ask the Senator from New Mexico whether there is any provision whereby these loans can be supervised, to see that the money is not diverted to some other use, and to see that it is not advanced more rapidly than the requirements of the crops will justify?

Mr. JONES of New Mexico. The Secretary of Agriculture is given complete jurisdiction of all those matters. The loans are to be made at his discretion, and under rules and regulations to be prescribed by him.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed for a third reading, read the third time, and passed.

The PRESIDING OFFICER. Does the Senator from New Mexico desire the preamble adopted or stricken out?

Mr. JONES of New Mexico. I move the adoption of the preamble.

The preamble was agreed to.

The joint resolution as passed is as follows:

A joint resolution (S. J. Res. 52) for the relief of the drought-stricken farm areas of New Mexico.

Whereas many sections of New Mexico are impoverished because of a continued drought that has persisted for the past three years, and farmers so affected have borrowed money from all sources until now their credit facilities are exhausted, and they can no longer obtain funds to continue the cultivation of their farms; and

Whereas weather conditions now prevailing in New Mexico point to a very successful year for farming providing the farmers of these drought-stricken areas can obtain the necessary funds to operate their farms and thereby be able to recuperate their losses caused by repeated crop failures; Therefore be it

Resolved, etc., That the Secretary of Agriculture is hereby authorized, for the spring and fall planting of 1924, to make advances or loans to farmers in the drought-stricken areas of New Mexico, where he shall find that special need exists for such assistance, for the purchase of seed, feed, food, and for actual farming expenses, not including the purchase of equipment, as he may find need for the cultivation of farm lands within the said State, not to exceed in any instance the sum of \$6 per acre. Such advances or loans shall be made upon such terms and conditions and subject to such regulations as the Secretary of Agriculture shall prescribe, including an agreement by each farmer to use the money obtained by him for the production of such crops as the Secretary of Agriculture may designate, and to give a valid lien on the growing crops to be produced from money obtained through such loan or advance in manner and form as required by the laws of New Mexico, which said lien, when recorded, shall have priority in payment over all other liens or encumbrances of whatsoever kind on such crops. A first lien on the crop to be produced from money obtained through this loan or advance made under this act shall, in the discretion of the Secretary of Agriculture, be deemed sufficient security therefor. All such loans or advances shall be made through such agencies as the Secretary of Agriculture shall designate, and in no instance shall any portion of funds obtained through the administration of this act be used for the payment of obligations other than those incurred under the regulations as provided by the Secretary of Agriculture in the administration and in accordance with the provisions herein contained.

Sec. 2. That for the purposes of this act there is hereby appropriated, out of any money in the Treasury not otherwise appropriated, the sum of \$1,000,000, to be immediately available, and not more than \$10,000 may be used in the District of Columbia by the Secretary of Agriculture in the administration of this act.

Sec. 3. That any person who shall knowingly make any false representation for the purpose of obtaining a loan or advance under the foregoing section upon conviction thereof shall be punished by a fine of not exceeding \$1,000 or by imprisonment not exceeding six months, or both.

PROMOTION OF AGRICULTURE.

Mr. NORBECK. I move that the Senate take up for immediate consideration Senate bill 2250, to promote a permanent system of self-supporting agriculture in regions adversely affected by the stimulation of wheat production during the war, and aggravated by many years of small yields and high production costs of wheat.

Mr. CURTIS. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from South Dakota yield to the Senator from Kansas?

Mr. NORBECK. I do.

Mr. CURTIS. As I understand, it is the intention of the Senator from South Dakota to have this bill made the unfinished business, and then temporarily lay it aside?

Mr. NORBECK. That will be entirely satisfactory.

The PRESIDING OFFICER. The Senator from South Dakota moves that the Senate proceed to the consideration of Senate bill 2250.

The motion was agreed to; and the Senate, as in Committee of the Whole, proceeded to consider the bill (S. 2250) to promote a permanent system of self-supporting agriculture in regions adversely affected by the stimulation of wheat production during the war, and aggravated by many years of small yields and high production costs of wheat, which had been reported from the Committee on Agriculture and Forestry, with amendments.

THE CALENDAR.

Mr. CURTIS. I ask unanimous consent that the unfinished business be temporarily laid aside, and that the Senate proceed to the consideration of the calendar under Rule VIII, and that only unobjected bills be considered.

The PRESIDING OFFICER. The Senator from Kansas asks unanimous consent that the unfinished business may be temporarily laid aside, and that the Senate may proceed to the consideration of bills on the calendar under Rule VIII, only unobjected bills to be considered. Is there objection?

Mr. ROBINSON. Mr. President, I inquire of the Senator from Kansas whether it is his purpose to proceed with other business after the conclusion of the calendar, if it shall be concluded?

Mr. CURTIS. I thought we would run with the calendar for about an hour, and then ask for an executive session, and after that adjourn.

Mr. ROBINSON. I have no objection.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Kansas?

Mr. BRUCE. I object.

The PRESIDING OFFICER. The Senator from Maryland objects.

EXECUTIVE SESSION.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 10 minutes spent in executive session the doors were reopened, and (at 3 o'clock and 55 minutes p. m.) the Senate, in accordance with the order previously made, adjourned until to-morrow, Wednesday, February 27, 1924, at 11.45 o'clock a. m.

EXTENDING ARBITRATION CONVENTION WITH THE NETHERLANDS.

In executive session this day, the following agreement was ratified and, on motion of Mr. LODGE, the injunction of secrecy was removed therefrom:

To the Senate:

With a view to receiving the advice and consent of the Senate to its ratification, I transmit herewith an agreement signed between the United States and the Netherlands on February 13, 1924, extending from March 25, 1924, for a further period of five years the arbitration convention concluded between the two Governments on May 2, 1908.

For the information of the Senate I transmit also copies of notes exchanged between the Secretary of State and the minister of the Netherlands at the time of the signature of the agreement.

CALVIN COOLIDGE.

THE WHITE HOUSE, February 18, 1924.

The President:

The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to ratification, if his judgment approve thereof, an agreement between the United States and the Netherlands, signed February 13, 1924, extending, from March 25, 1924, for a further period of five years the arbitration convention concluded between the two Governments on May 2, 1908.

At the time of the signature of the agreement notes were exchanged between the Secretary of State and the minister of the Netherlands confirming an understanding between the two Governments that in the event that the Senate gives its assent to the proposal made to the Senate by the President on February 24, 1923, that it consent, under certain stated conditions, to the adherence by the United States to the protocol of December 16, 1920, under which the Permanent Court of International Justice has been created at The Hague, and the Government of the Netherlands will not be averse to considering a modification of the convention of arbitration renewed by the agreement, or the making of a separate agreement providing for the reference of disputes mentioned in the convention to the Permanent Court of International Justice.

Copies of these notes are inclosed for the information of the Senate.

Respectfully submitted.

CHARLES E. HUGHES.

DEPARTMENT OF STATE.

Washington, February 15, 1924.

EXCHANGE OF NOTES.

The Secretary of State to the Netherlands Minister.

DEPARTMENT OF STATE.

Washington, February 13, 1924.

SIR: In connection with the signing to-day of an agreement for the renewal of the convention of arbitration concluded be-

tween the United States and the Government of the Netherlands May 2, 1908, and renewed from time to time, I have the honor, in pursuance of our informal conversations, to state the following understanding, which I shall be glad to have you confirm on behalf of your Government:

On February 24 last the President proposed to the Senate that it consent under certain stated conditions to the adhesion by the United States to the protocol of December 16, 1920, under which the Permanent Court of International Justice has been created at The Hague. In the event that the Senate gives its assent to the proposal, I understand that the Government of the Netherlands will not be averse to considering a modification of the convention of arbitration which we are renewing, or the making of a separate agreement, providing for the reference of disputes mentioned in the convention to the Permanent Court of International Justice.

Accept, sir, the renewed assurances of my highest consideration.

CHARLES E. HUGHES.

Jonkheer Dr. A. C. D. DE GRAEFF,
Minister of the Netherlands.

The Netherlands Minister to the Secretary of State.

No. 475.

LEGATION DES PAYS-BAS,
Washington, D. C., February 13, 1924.

HON. CHARLES E. HUGHES,
Secretary of State, Washington, D. C.

SIR: With reference to your note of to-day I have the honor to state that the Royal Government has instructed me to inform you that in the event of the adhesion by the United States to the protocol of December 16, 1920, under which the Permanent Court of International Justice has been created at The Hague, the Government of the Netherlands will be willing to consider a modification of the convention of arbitration between the Government of the Netherlands and the United States, which we have renewed to-day, or to make a separate agreement providing for the reference of disputes mentioned in the convention to the Permanent Court of International Justice.

Accept, sir, the renewed assurances of my highest consideration.

A. DE GRAEFF.

The Government of the United States of America and Her Majesty the Queen of the Netherlands, desiring to extend for another five years the period during which the Arbitration Convention concluded between them on May 2, 1908, and extended by the agreement concluded between the two Governments on May 9, 1914, and further extending by the agreement concluded between the two Governments on March 8, 1919, shall remain in force, have respectively authorized the undersigned, to wit:

Charles Evans Hughes, Secretary of State of the United States of America, and

Jonkheer Dr. A. C. D. de Graeff, envoy extraordinary and minister plenipotentiary of Her Majesty the Queen of the Netherlands at Washington,

to conclude the following agreement:

ARTICLE I.

The Convention of Arbitration of May 2, 1908, between the Government of the United States of America and Her Majesty the Queen of the Netherlands, the duration of which by Article III thereof was fixed at a period of five years from the date of the exchange of ratifications, which period, by the agreement of May 9, 1914, between the two Governments was extended for five years from March 25, 1914, and was extended by the agreement between them of March 8, 1919, for the further period of five years from March 25, 1919, is hereby extended and continued in force for the further period of five years from March 25, 1924.

ARTICLE II.

The present agreement shall be ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by Her Majesty the Queen of the Netherlands, and it shall become effective upon the date of the exchange of ratifications, which shall take place at Washington as soon as possible.

Done in duplicate in the English and Dutch languages at Washington this 13th day of February, 1924.

[SEAL.]
[SEAL.]

CHARLES EVANS HUGHES,
DE GRAEFF.

NOMINATIONS.

Executive nominations received by the Senate February 26, 1924.

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY.

Charles Beecher Warren, of Michigan, to be ambassador extraordinary and plenipotentiary of the United States of America to Mexico.

William Phillips, of Massachusetts, now Undersecretary of State, to be ambassador extraordinary and plenipotentiary of the United States of America to Belgium and envoy extraordinary and minister plenipotentiary of the United States of America to Luxemburg.

ASSISTANT ATTORNEY GENERAL.

Ira K. Wells, of Kansas, to be Assistant Attorney General, vice William D. Ritter, resigned.

PUBLIC HEALTH SERVICE.

Dr. Gregory J. Van Beeck to be assistant surgeon, to take effect from date of oath.

Dr. Frank J. Halpin to be assistant surgeon, to take effect from date of oath.

Asst. Surg. Russell R. Tomlin to be passed assistant surgeon, to rank as such from March 13, 1924.

These doctors have passed the examination required by law.

PROMOTIONS IN THE REGULAR ARMY.

To be lieutenant colonel.

Maj. Brainerd Taylor, Quartermaster Corps, from February 5, 1924.

To be major.

Capt. Edwin Albert Zundel, Field Artillery, from February 5, 1924.

To be captains.

First Lieut. Morgan Ellis Jones, Infantry, from February 5, 1924.

First Lieut. Fannin Adkin Morgan, Judge Advocate General's Department, from February 12, 1924.

First Lieut. George Howard Rarey, Infantry, from February 13, 1924.

First Lieut. Jacob Edward Uhrig, Infantry, from February 16, 1924.

To be first lieutenants.

Second Lieut. Joseph William Kullman, Infantry, from February 5, 1924.

Second Lieut. George Dewey Rogers, Infantry, from February 12, 1924.

Second Lieut. Robert Jones Merrick, Cavalry, from February 13, 1924.

Second Lieut. William Henry John Dunham, Coast Artillery Corps, from February 16, 1924.

Second Lieut. Irvin Alexander, Infantry, from February 19, 1924.

APPOINTMENTS, BY TRANSFER, IN THE REGULAR ARMY.

ADJUTANT GENERAL'S DEPARTMENT.

Capt. Eugene Manuel Landrum, Infantry (detailed in Adjutant General's Department), with rank from June 4, 1917.

SIGNAL CORPS.

Maj. James Byron Haskell, Coast Artillery Corps, with rank from February 22, 1923.

FIELD ARTILLERY.

Lieut. Col. James Perrine Barney, Quartermaster Corps, with rank from July 1, 1920.

POSTMASTERS.

ALABAMA.

Jethro D. Dennis to be postmaster at Marion, Ala., in place of H. C. Howze, resigned.

Ora B. Wann to be postmaster at Madison, Ala., in place of O. B. Wann. Incumbent's commission expired December 20, 1920.

ARKANSAS.

Benjamin B. Horton to be postmaster at Montrose, Ark., in place of J. R. Edwards. Office became third class October 1, 1923.

John M. Garrett to be postmaster at Vilonia, Ark., in place of T. W. Graddy, resigned.

CALIFORNIA.

Jesse D. Myers to be postmaster at Arlington, Calif., in place of J. D. Myers. Office became third class January 1, 1924.

Samuel W. Green to be postmaster at Isleton, Calif., in place of S. W. Green. Incumbent's commission expired February 11, 1924.

John F. Conners to be postmaster at Oakland, Calif., in place of J. J. Rosborough. Incumbent's commission expired February 11, 1924.

Frank T. Hawes to be postmaster at Centerville, Calif., in place of F. T. Hawes. Incumbent's commission expired February 11, 1924.

COLORADO.

Nettie Elliott to be postmaster at Loma, Colo., in place of Nettie Elliott. Office became third class January 1, 1924.

Paul C. Boyles to be postmaster at Gunnison, Colo., in place of P. C. Boyles. Incumbent's commission expired February 18, 1924.

Bessie Salabar to be postmaster at Bayfield, Colo., in place of C. A. Fowler. Incumbent's commission expired February 18, 1924.

John R. Munro to be postmaster at Rifle, Colo., in place of S. B. Pollock. Incumbent's commission expired February 18, 1924.

Ben H. Glaze to be postmaster at Fowler, Colo., in place of W. J. McDonald. Incumbent's commission expired February 18, 1924.

Alice A. Blazer to be postmaster at Elizabeth, Colo., in place of Mamie Weidner. Incumbent's commission expired February 18, 1924.

CONNECTICUT.

Sidney M. Cowles to be postmaster at Kensington, Conn., in place of W. W. Fagan. Incumbent's commission expired February 4, 1924.

Harry K. Taylor to be postmaster at Hartford, Conn., in place of D. A. Wilson. Incumbent's commission expired August 1, 1923.

Marshall Emmons to be postmaster at East Haddam, Conn., in place of James Bride, jr. Incumbent's commission expired February 4, 1924.

DELAWARE.

George W. Mitchell to be postmaster at Ocean View, Del., in place of G. F. McCabe. Office became third class October 1, 1923.

FLORIDA.

Frank Watts Hall to be postmaster at Labelle, Fla., in place of F. W. Hall. Incumbent's commission expired February 14, 1924.

IDAHO.

Hannah H. Bills to be postmaster at Kimberly, Idaho, in place of H. H. Bills. Incumbent's commission expired February 4, 1924.

John E. McBurney to be postmaster at Harrison, Idaho, in place of J. E. Wood. Incumbent's commission expired August 20, 1923.

Clarence P. Smith to be postmaster at Eden, Idaho, in place of C. P. Smith. Incumbent's commission expired February 4, 1924.

INDIANA.

William G. McNeelan to be postmaster at Holton, Ind., in place of G. D. Henderson. Incumbent's commission expired January 23, 1924.

IOWA.

Masel F. Sawin to be postmaster at Oto, Iowa, in place of F. L. Thompson, resigned.

Lewis H. Roberts to be postmaster at Clinton, Iowa, in place of B. M. Jacobsen. Incumbent's commission expired August 5, 1923.

KANSAS.

Anna M. Bryan to be postmaster at Mullinville, Kans., in place of A. M. Bryan. Incumbent's commission expires February 28, 1924.

George J. Frank to be postmaster at Manhattan, Kans., in place of F. D. Lamb. Incumbent's commission expires February 28, 1924.

Nora J. Casteel to be postmaster at Montezuma, Kans., in place of A. H. Wherritt, resigned.

Joseph V. Barbo to be postmaster at Lenora, Kans., in place of J. W. Frazier. Incumbent's commission expired January 23, 1924.

KENTUCKY.

Roy J. Blankenship to be postmaster at Hitchins, Ky., in place of R. J. Blankenship. Office became third class October 1, 1923.

Harvey H. Pherigo to be postmaster at Clay City, Ky., in place of H. H. Pherigo. Office became third class October 1, 1923.

Elizabeth A. Bradley to be postmaster at Van Lear, Ky., in place of M. L. Price, jr. Incumbent's commission expired February 11, 1924.

Lois Belcher to be postmaster at Greenville, Ky., in place of R. E. Wallace. Incumbent's commission expired February 4, 1924.

Fred Hall to be postmaster at Weeksbury, Ky., in place of Leander Johnson, resigned.

Sam H. Fisher to be postmaster at McRoberts, Ky., in place of G. H. Block. Incumbent's commission expired February 11, 1924.

LOUISIANA.

David S. Leach to be postmaster at Florien, La., in place of D. S. Leach. Office became third class January 1, 1924.

Augustine M. Dugas to be postmaster at Centerville, La., in place of A. M. Dugas. Office became third class January 1, 1924.

MAINE.

Parker B. Stinson to be postmaster at Wiscasset, Me., in place of P. B. Stinson. Incumbent's commission expired February 11, 1924.

Hiram W. Ricker, jr., to be postmaster at South Poland, Me., in place of H. W. Ricker. Incumbent's commission expired February 11, 1924.

Winfield L. Ames to be postmaster at North Haven, Me., in place of W. L. Ames. Incumbent's commission expired February 11, 1924.

Thomas E. Wilson to be postmaster at Kittery, Me., in place of N. R. Hubbard. Incumbent's commission expired February 11, 1924.

MARYLAND.

Harry A. Carroll to be postmaster at Havre de Grace, Md., in place of W. S. Kelly. Incumbent's commission expired February 24, 1924.

MASSACHUSETTS.

Fred C. Small to be postmaster at Buzzards Bay, Mass., in place of F. C. Small. Incumbent's commission expired February 4, 1924.

MICHIGAN.

Jens H. Wester to be postmaster at Sawyer, Mich., in place of J. H. Wester. Incumbent's commission expired January 26, 1924.

MINNESOTA.

Ida E. Marshall to be postmaster at Babbitt, Minn., in place of F. A. Jordan. Office became third class July 1, 1923.

Frederic E. Hamlin to be postmaster at Chaska, Minn., in place of F. E. Hamlin. Incumbent's commission expires February 28, 1924.

Alfred Gronner to be postmaster at Underwood, Minn., in place of Alfred Gronner. Incumbent's commission expired February 18, 1924.

Selma O. Hoff to be postmaster at St. Hilaine, Minn., in place of S. O. Hoff. Incumbent's commission expired February 18, 1924.

Francis S. Pollard to be postmaster at Morgan, Minn., in place of F. S. Pollard. Incumbent's commission expired February 18, 1924.

Charles G. Carlson to be postmaster at Gibbon, Minn., in place of C. G. Carlson. Incumbent's commission expired February 18, 1924.

MISSOURI.

Oliver P. Pettigrew to be postmaster at Bolckow, Mo., in place of R. E. Wilson, removed.

Lawrence J. Caster to be postmaster at Blythedale, Mo., in place of C. L. Canady. Incumbent's commission expired January 23, 1924.

Walter L. Hert to be postmaster at California, Mo., in place of N. C. Hickcox. Incumbent's commission expired January 23, 1924.

Melvin J. Kelley to be postmaster at Annapolis, Mo., in place of B. C. Gunter. Office became third class October 1, 1923.

NEW YORK.

Ruth W. J. Mott to be postmaster at Oswego, N. Y., in place of William Nacey. Incumbent's commission expired February 20, 1924.

Rose H. Munsey to be postmaster at Dryden, N. Y., in place of R. F. Chappuis. Incumbent's commission expired February 4, 1924.

Medose J. Robert to be postmaster at Au Sable Forks, N. Y., in place of R. T. Kenyon, resigned.

Elmer C. Wyman to be postmaster at Dover Plains, N. Y., in place of T. P. Whalen. Incumbent's commission expired August 5, 1923.

NORTH CAROLINA.

Hilliard C. Rector to be postmaster at Marshall, N. C., in place of W. C. Pope. Incumbent's commission expired January 26, 1924.

OHIO.

Orlando W. Schwab to be postmaster at Port Washington, Ohio, in place of C. V. Wiand. Office became third class October 1, 1923.

William H. Snodgrass to be postmaster at Marysville, Ohio, in place of Homer Southard. Incumbent's commission expired February 24, 1924.

Charles E. Kniesly to be postmaster at Bradford, Ohio, in place of P. R. Hart, removed.

Rufus A. Borland to be postmaster at West Jefferson, Ohio, in place of C. E. Kubitschack. Incumbent's commission expired February 24, 1924.

La Bert Davie to be postmaster at New Lexington, Ohio, in place of E. F. Lybarger. Incumbent's commission expired February 24, 1924.

Clem Couden to be postmaster at Morrow, Ohio, in place of W. F. Eltzroth. Incumbent's commission expired February 24, 1924.

Bayard F. Thompson to be postmaster at Jewett, Ohio, in place of A. Q. Arbaugh. Incumbent's commission expired February 24, 1924.

Elizabeth I. Grimm to be postmaster at Hopedale, Ohio, in place of W. S. Eagleson. Incumbent's commission expired February 24, 1924.

Andrew L. Brunson to be postmaster at Degraff, Ohio, in place of Frank Garver. Incumbent's commission expired February 24, 1924.

Elizabeth A. Krizer to be postmaster at Bremen, Ohio, in place of E. T. Purvis. Incumbent's commission expired February 24, 1924.

Edward M. Barber to be postmaster at Ashley, Ohio, in place of C. R. Wing. Incumbent's commission expired February 24, 1924.

Arthur L. Van Osdall to be postmaster at Ashland, Ohio, in place of J. E. Gates. Incumbent's commission expired February 24, 1924.

OKLAHOMA.

John P. Jones to be postmaster at Roff, Okla., in place of W. A. Allen, removed.

OREGON.

Fred C. Holznagel to be postmaster at Hillsboro, Oreg., in place of H. A. Ball. Incumbent's commission expired August 29, 1923.

PENNSYLVANIA.

Nathaniel Shaplin to be postmaster at Windgap, Pa., in place of W. D. Werkheiser. Incumbent's commission expired February 4, 1924.

Harry E. Pote to be postmaster at Marcus Hook, Pa., in place of C. H. Casey. Incumbent's commission expired February 18, 1924.

TENNESSEE.

Alfred V. Boyce to be postmaster at Manchester, Tenn., in place of J. H. McKenzie, resigned.

Thomas W. Williams to be postmaster at Lucy, Tenn., in place of T. W. Williams. Office became third-class October 1, 1923.

TEXAS.

Llewellyn R. Atkins to be postmaster at New Boston, Tex., in place of G. W. Morris. Incumbent's commission expired November 21, 1922.

Lilburn C. Graham to be postmaster at Lancaster, Tex., in place of J. C. Hawks. Incumbent's commission expired February 24, 1924.

VIRGINIA.

David G. Snodgrass to be postmaster at Meadowview, Va., in place of D. G. Snodgrass. Incumbent's commission expired August 29, 1923.

WEST VIRGINIA.

Guy E. McCutcheon to be postmaster at Reedy, W. Va., in place of R. L. McKinley. Incumbent's commission expired February 11, 1924.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 26, 1924.

PROMOTIONS IN THE NAVY.

MARINE CORPS.

Elias R. Beadle to be lieutenant colonel.
William B. Sullivan to be major.
Harry Paul to be captain.
John P. Adams to be captain.
William K. Snyder to be captain.
William T. Evans to be captain.

POSTMASTERS.

ALABAMA.

Roy A. Lifsey, Montgomery.

COLORADO.

John C. Straub, Flagler.
Edward F. Baldwin, Nucla.

KANSAS.

Harry Morris, Garnett.
Forrest L. Powers, Le Roy.
Andrew M. Ludvickson, Severy.

MAINE.

Hugh Hayward, Ashland.
William N. Dyer, Harrington.
Grace M. Flint, Hartland.
Harry S. Bates, Phillips.
George E. Sands, Wilton.

MINNESOTA.

Eva Cole, Delavan.

NEW HAMPSHIRE.

Ruby E. Lyford, Belmont.

NORTH DAKOTA.

William H. Lenneville, Dickinson.

OHIO.

Ida H. Cline, Kings Mills.
George B. Fulton, North Baltimore.
Oliver Ferrell, Paulding.
Iris L. Bloir, Sherwood.
William S. Paisley, Toronto.
Ben F. Robuck, West Union.

SOUTH CAROLINA.

Malcolm J. Stanley, Hampton.

WEST VIRGINIA.

Fred F. Holroyd, Glen Rogers.
Willis O. Nichols, Oak Hill.
Thelma F. Settle, Page.
Orville O. Tope, Peach Creek.

WITHDRAWALS.

Executive nominations withdrawn from the Senate February 26, 1924.

MEMBER OF THE FEDERAL TRADE COMMISSION.

George B. Christian, jr., of Ohio, to be a member of the Federal Trade Commission.

PROMOTION IN THE ARMY.

COAST ARTILLERY CORPS.

Second Lieut. Bordner Frederick Ascher, Air Service, with rank from June 12, 1923, Lieutenant Ascher having resigned his commission as an officer in the United States Army.

HOUSE OF REPRESENTATIVES.

TUESDAY, February 26, 1924.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Keep us very near to Thee, blessed Lord, as we meet the duties and responsibilities of this day. May we be responsive to all that is good and true and turn aside from all that is evil and false. Be present and cause us to yield ourselves to Thy will; thus shall our examples and influences be reflections caught from Thee. Help us to learn wisdom from failure. Cheer us with the truth that he who never makes a mistake never makes a discovery. Deepen in us the virtues of reverence and gratitude and direct all the questions of our minds and the longings of our hearts. Amen.

The Journal of the proceedings of yesterday was read and approved.

IMMIGRATION.

Mr. CABLE. Mr. Speaker, the Immigration Committee has presented to the House and country a bill selective in principle, restrictive as to numbers, and humane in operation. It is intended as a permanent immigration policy of the United States. The act of 1917 is our basic immigration law. It seeks to exclude the undesirable, the physically, the mentally, and the morally unfit. The quota law, which expires June 30, 1924, as well as this bill, limits as to numbers. It applies to the nationals of the countries of Europe, Africa, Australia, New Zealand, and western Asia.

IMMIGRANT CERTIFICATES.

Under the provisions of the bill the intending immigrant must present with his passport a sworn statement as to his personal and family history, his physical condition, his ability to speak, read, and write, and his purpose of coming to the United States. For the first time in the history of our country our consul has the right to refuse to visé if in his opinion the immigrant is not admissible. The weaklings are weeded out before they start. Selection is made abroad of the best who apply. If admissible, in the opinion of the consul, the passport is viséed, and the immigrant is given an immigration certificate. Not more than 10 per cent of the total number allotted to each country may be issued in any one month, and a certificate is void two months after the date of its issue. The counting is made abroad and not at ports of entry. There will be no more racing of steamships across the oceans, as the immigrant's admission is not contingent upon the time of his arrival. This method will result in an even flow through Ellis Island throughout the entire year and thus eliminate the hardships and suffering from crowded conditions. The final inspection and medical examination will still be made at the ports of entry, but in a more thorough and careful manner.

NONQUOTA CERTIFICATES.

The bill permits and assists in the reuniting of families of American citizens. It is provided that an immigrant who is an unmarried child under 18 years of age, a father or mother over 55 years of age, husband or wife of a citizen of the United States may be admitted outside and irrespective of the quota. Application is made by the citizen to the Commissioner General of Immigration, who, if he finds it in order, shall, through the Secretary of State, authorize the consul to issue a nonquota certificate.

PERMIT.

If a resident alien wishes to visit his native land for a temporary visit, he may, before leaving, obtain a permit from the Commissioner General to reenter the country, and in such case he is not counted within the quota. At present such aliens are often prohibited by their own country from returning until the quota of his country is filled, as otherwise he is counted in the quota.

NONIMMIGRANTS.

Government officials and their families and aliens visiting the United States for business or pleasure need no certificates and are not subject to quota limitations and restrictions.

NATIONALITY.

Nationality is determined by place of birth. The bill seeks to amend the law by providing that the nationality of a minor child is fixed as that of its accompanying parent. It also provides that if the nationality of the wife is different from that of her husband, and if the quota for her country is filled, she shall be counted as of the husband's but without increasing the quota for his nation. This prevents the separation of families because of diverse nationality and quotas under the law.

PERSONS INELIGIBLE FOR CITIZENSHIP.

Immigration may be regulated by treaty or by law. I prefer the latter, as the law may be altered at any time to suit the needs of this Nation without the consent of the other country. When Roosevelt was President the Pacific coast was being flooded with Japanese laborers. The people protested. He negotiated the famous "gentleman's agreement" with Japan, not by the treaty or by law but through diplomatic communications.

This correspondence has never been published. By its terms we learn that Japan agreed to issue no passports to its nationals who are laborers seeking to come to the United States. However, their laborers do come to Mexico and are smuggled into our country over the border. President Taft altered its terms by a treaty so that the merchants and their

families of Japan are permitted to enter. No other nation except Japan is permitted to regulate immigration of her nationals to the United States. The Supreme Court of the United States recently decided that a Japanese being a member of the yellow race is not eligible to citizenship. The question resolves itself into this: Shall we admit those who by law can not become naturalized? The committee said no and so stated in their bill.

Secretary of State Hughes has suggested placing Japan on a quota basis of the census of 1890 and thus admit annually but 246 Japanese. Such an act would constitute a surrender of our Japanese policy. To recognize their right to enter is the first step toward amending our naturalization laws to permit those of the yellow race to become citizens. Besides we are not sure that the census of 1890 will be adopted. The Senate Committee last week voted for the 1910 census and this would admit six times as many. If in the future the percentage plan of regulating immigration should be repealed or extended to a later census, the United States would then have a more difficult problem to solve. America has no room for those who can not become citizens, who can not and will not adopt our institutions and ideals. We have no place for those whose loyalty and allegiance is to another. Uncle Sam has a right to limit his household, both in numbers and in nationality.

ALIEN SEAMEN.

Several thousand aliens enter the United States unlawfully under the provisions of the seamen's act. By the terms of the proposed immigration bill it is the duty of the owner or master of the vessel upon arrival to hold on board, under penalty, all alien seamen until there may be a personal physical examination by the medical inspectors. If found to be admissible, each seaman is given a landing card for his temporary stay in the United States. If he stays beyond the expiration of the time stamped on the landing card, he is subject to arrest and deportation.

TWO PER CENT INSTEAD OF THREE PER CENT.

The present law calls for a 3 per cent quota. The proposed bill reduces the number to 2 per cent on 1890 census, or from 357,803 to 170,000. There are many reasons for this reduction, chief of which is the fact that we need no additional labor. There is to-day a large number of unemployed. This statement is based on reports received by the Department of Labor from their representatives stationed in every State in the Union.

Mills are closing and the workers are unable to find employment elsewhere. Many railroad and other shops and factories are being operated on part time a few days a week. From Massachusetts, for example, there comes the report that there is a slackening of industry and unemployment is on the increase. Nearly all of the textile mills are operated on part time and with reduced forces. There is not sufficient employment in other lines to absorb this surplus.

In Ohio there are a great many without work. In Pennsylvania there is a surplus in all classes of skilled mechanics as well as common labor. In the Philadelphia district a large number of married women have been seeking employment because their husbands are out of work. In the West the farm-labor supply is more than sufficient to meet the demands.

The United States has passed the point of assimilation. Of the 14,000,000 of foreign born residing here less than half are American citizens. The naturalization process averages 10 years. One and one-half million of our foreign population can not speak English. Alien colonies have sprung up in the large cities, where the circulation of foreign press papers runs into 6,000,000. Seventy-five per cent of those who come from other countries to the United States live in large cities. The population in many cases is one-third foreign born. In the States of New York, New Jersey, and Pennsylvania 35.4 per cent of the male population 21 years of age and over is foreign born; in the New England States 38.2 per cent; in Massachusetts, 41.9 per cent; Boston, 46.3 per cent; and in New York City, 53.4 per cent. These large alien colonies still hold to their foreign ideas and institutions. Our Nation is dotted with unassimilated groups—"alien islands" they may be called. It is thus necessary to reduce immigration.

Without restriction we would have a veritable migration of people from Europe. We have no work for them, no homes for their families, and no schools for their children. Conditions here are already crowded.

Mr. Nathan Grosshandler, of Youngstown, Ohio, was a witness before our committee. He is a publisher of several papers, two of which are in the foreign-language list. Last summer he visited Europe to study immigration. He himself had come to this country as an immigrant.

Part of Mr. Grosshandler's testimony was as follows:

I was in Bulgaria, Croatia, Serbia, Rumania, Czechoslovakia, Hungary, Austria, Poland, France, London, and God knows I was traveling so fast and working so hard that often after every two hours of travel I was in a different country. I was primarily interested, Mr. Chairman, in the countries that we have drawn labor from—Austria, Hungary, Italy, Czechoslovakia, Poland, Yugoslavia, and Rumania. * * *. Then, of course, I may make it broader, so it will give you a conception and give you the psychology of the masses that prevail in Europe to-day. I might just as well say to you honestly, you ask a hundred men if they want to come to America and you get a response ninety-nine times out of a hundred that they want to come to America. Those are the conditions. When you meet these conditions, Mr. Chairman, you have no more questions to ask, because everybody wants to come to America.

I quote also from Mr. Lothrop Stoddard, of Brookline, Mass.:

As I say, the number of people who desire to come to America is practically limitless. They must be numbered, taking Europe and the Near East together, literally by the tens of millions, and that pressure will increase, in my opinion, in the next 10 years. In other words, we have not a temporary condition but we have a permanent condition that is facing us in regard to the pressure of immigration, a waxing rather than a waning factor. And whatever dikes we set up against that flood, the pressure will be so great that, in my opinion, only legislation of a drastically restrictive nature, with no loopholes, will suffice to keep out the floods of people, largely of an undesirable character, and every loophole, in my opinion, must be carefully plugged, because it is a law of hydrodynamics that if you have a dike subjected to a great pressure the slightest crack in the dike will be sufficient to let the flood through.

Mr. Stoddard testified that he visited England, France, Germany, Switzerland, Czechoslovakia, Austria, Hungary, Yugoslavia, Bulgaria, Turkey, Syria, Palestine, Transjordan, Egypt, and Italy, and that he made the same inquiries of the nationals of every nation that he visited.

Our duty lies first with the foreign born who are here. It begins rather than ends with their admission. Close to 7,000,000 are not American citizens. The facilities of an education should be extended to them. Give them a chance to study. Open our night schools to the men. Send trained teachers into the homes for the women, for the wife and mother can not always leave her household duties to attend the evening schools. Permit them to learn our language, our history, and the ideals of this Nation, the duties and benefits of citizenship. It means the building of a bigger and a better America.

Further restriction of immigration is necessary because of the increase in the population of those who are here. The Bureau of the Census estimated that in 50 years hence we will be a Nation of 183,000,000, and in 100 years we will be one of 254,000,000 of people. There is no new land in the world to which our people, because of overpopulation, can migrate.

THE CENSUS OF 1890.

The present quota law is based on the census of 1910. The bill changes this to 1890, resulting in a reduction of the number of quota immigrants who may come from the south and east of Europe. A cry of discrimination has been raised because of this change. The quota of a country should not be determined by the number of foreign born who may happen to be here at a particular time, but should be based on the entire racial composition or cross section of our population. Each country should be entitled to a quota on the basis of the national stock of that country in the United States as it bears to our total population. This is clearly explained in an article appearing in the New York Times, March 1, 1924, written by Mr. F. H. Kinnicutt, of that city, a student and an authority on immigration problems, part of which is as follows:

I should like to point out that a careful study of the census figures shows that the discrimination is not in the proposed quotas, but in the existing quotas. The present law bases the quotas on the enumeration in the census of 1910 of the foreign born of each European country then alive in the United States, and takes no account of the racial elements by stocks in the country to-day. According to that law it is only the number of actual immigrants from each quota country here in 1910 which determines the quotas. No credit is given to any country by reason of the fact that the number of persons derived by descent from that country is greatly in excess of those who actually immigrated thence in the present generation. For instance, under the law of 1890 the joint quota for Great Britain and Ireland is 77,342. If it were apportioned according to the census figures of 1910 between England, Scotland, and Ireland, respectively, the quota of England and that of Scotland would be less than the quota of Russia, Poland, or Italy. In fact, during the last fiscal year in which the British and Irish quotas were exhausted before the end of the year fewer immigrants were allowed

to enter the United States from England, fewer from Scotland, and fewer from Ireland than were permitted to enter from either Russia, Poland, or Italy. This result is certainly extraordinary. It amounts to a clear discrimination against the very peoples who principally settled the American Colonies and founded our civilization, and whose descendants constitute at least 50 per cent of our present white population, in favor of peoples who have only come in any numbers to the United States within the last 30 years.

Perhaps the greatest need in immigration legislation to-day, and certainly one of the prime considerations in the minds of Members of Congress in framing the pending bill, is the maintenance of at least that degree of racial homogeneity which the American people possess to-day. Judged by this principle, it is the present law—not the pending bill—which is open to objection. The former gives 44.6 per cent of our total quota immigration to the countries of Southern and Eastern Europe, including Asiatic Turkey and Palestine—an amount vastly in excess of what they could claim on any theory of proportional representation by races, with reference to the racial elements in our present population.

This will appear from an examination of the official figures of the 1920 census, which show that the total number of people of foreign stock in the United States in that year derived from the countries of southern and eastern Europe (including Asiatic Turkey and Palestine) is approximately 12,266,115, or 11.7 per cent of the total population of the United States in 1920. The above figure is reached by adding to the number of the foreign born from those countries the number of native born both of whose parents were born in those countries and one-half of the native born one of whose parents was born in those countries. Under the provisions of the Johnson-Lodge bill, 15.3 per cent of the total quota immigration would be apportioned to these same regions in southern and eastern Europe and near Asia. Obviously, this would be a liberal allowance, but in addition thereto the "newer immigration" would get the lion's share of the exemptions for near relatives of United States citizens, who, under the new bill, are exempted from quota restrictions. It is clear that the newer immigration, represented by the great wave from southern and eastern Europe since 1900, must have many more of these near relatives than the representatives of the older immigration now alive in this country, most of whom came over before 1900. It may incidentally be noted that the total number of foreign born from southern and eastern Europe alive in the United States to-day is only 6,422,727.

The figures given above show indisputably that the charge of unfairness and discrimination, as applied to the pending bill, which bases the quotas on the census of 1890 is entirely unfounded. That bill, in fact, merely preserves the racial status quo in the United States with respect to immigration more nearly than can be done by taking any other census as the basis. In other words, the proposed legislation, far from being aimed at any particular race, is based on broad considerations of public policy and the welfare of the country as a whole.

We should not disregard the descendants of those immigrants who settled our country, who fought bloody battles with the Indians, who won independence, formulated our Constitution, and developed this country across the Alleghenies and the Rockies to the Pacific coast. I refer to the Scotch, the Irish, the Welsh, the English, the Dutch, the Germans, and the French. Immigration from those countries began with our Colonies and continued ever since, but decreased in large numbers prior to 1910. The use of that census discriminates against their nationals. The foreign born from Ireland decreased over 500,000 in number between 1890 and 1910, and the foreign born from Germany decreased 474,000 in a like period of time. The coming in large numbers of the new immigration checked the flow of the old. The 1890 census is the one that gives to the nationals of all countries the fairest proportion of immigration based on the racial stock of those already here. In addition I call attention to the fact that Italy as a nation regulates her emigration. She permits her men to come here while prohibiting the wives and families. The provisions in the bill admitting fireside relatives of American citizens outside of the quota will reunite more families coming from southern and eastern Europe than the rest of quota countries.

This country clearly has a right to regulate immigration, to say who may come and who are not desirable. Certain foreign countries have deliberately given passports to such of their nationals as they wish to get rid of, and we have been taking them as immigrants. Experience has taught us that it is impossible to colonize our farm land.

Canada has attempted this, with the result that while 88,000 were encouraged to immigrate to that country last year and settle on the farms, yet in the same period 117,000 left Canada for the United States. The farmers in America do not need additional farm labor so much as they do a price for their products commensurate with the price they must pay for the articles they purchase. There is a surplus of farm products in

the United States to-day. A large influx of immigrants to work on the farms might cut the cost, but it would not increase the price received and therefore would not benefit the farmers, besides such a proposition would be used as a subterfuge, as the immigrant nine times out of ten would move from the farm into the city. To compel him to remain on the farm under threat of deportation would constitute a form of peonage and we have no room in America for that.

We should not permit foreign Governments and their representatives in this country to dictate to us in the matter of voting for a good, selective, restrictive, and humane immigration bill. In the words of our President—

American institutions rest solely on good citizenship. They were created by people who had a background of self-government. New arrivals should be limited to our ability to absorb them into the ranks of good citizenship. America must be kept American.

ADJUSTED COMPENSATION.

Mr. HOWARD of Nebraska. Mr. Speaker, I ask unanimous consent that I may have reproduced in the RECORD a series of resolutions adopted by the Chamber of Commerce of Auburn, Nebr.

Mr. SPEAKER. The gentleman from Nebraska asks unanimous consent to extend his remarks in the RECORD for the purpose indicated. Is there objection?

Mr. LONGWORTH. Mr. Speaker, reserving the right to object, I did not catch the request of the gentleman.

Mr. HOWARD of Nebraska. It is so very odd I feared it might meet objection. It is a series of resolutions by a chamber of commerce actually in favor of the adjusted compensation bill. It is the only one of its kind in the world, and I wanted it to appear in the RECORD. [Laughter.]

Mr. LONGWORTH. The gentleman's appeal touches my heart, and I shall not object.

The SPEAKER. Is there objection?

There was no objection.

Mr. HOWARD of Nebraska. Mr. Speaker, under permission of the House I insert herewith as a part of my remarks the following resolutions:

OFFICE OF CHAMBER OF COMMERCE,
Auburn, Nebr., February 20, 1924.

Resolution.

Whereas adjusted compensation is an obligation owing from the United States Government to the former soldiers of the World War, long past due and unpaid; and

Whereas it is our judgment that adjusted compensation can be paid and Federal taxes at the same time be reduced; and

Whereas methods used by the forces opposing the enactment of the adjusted compensation bill are in our opinion unjustified, unfair, and un-American: Therefore be it

Resolved, That the Chamber of Commerce of Auburn, Nebr., hereby heartily indorses and urges the Members of Congress and Senators from the State of Nebraska to exert every effort to bring about the immediate passage of the American Legion fourfold adjusted compensation bill; and be it further

Resolved, That said Chamber of Commerce condemns tactics of selfish interest in seeking by forced propaganda and unfair methods of coercion to bring about the defeat of the adjusted compensation bill.

C. A. SOUDERS, President.
H. HEMMINGSEN, Secretary.

UNITED STATES HOSPITAL SERVICE.

Mr. SEARS of Florida. Mr. Speaker, before this debate becomes partisan I ask unanimous consent to address the House for two minutes.

The SPEAKER. The gentleman from Florida asks unanimous consent to address the House for two minutes. Is there objection?

There was no objection.

Mr. SEARS of Florida. Mr. Speaker, the tendency of the time seems to be to cast slurs upon those in public life. Criticism is passing to and fro, but I believe in giving credit to those to whom credit is due. It is natural for me to repeat it, because, as I have said several times, and my Republican friends know it, I am a partisan Democrat. However, when anyone is entitled to credit, I feel they should have that credit. I read a few days ago a very short statement written by one of the best newspaper writers in my State, if not in the South, a young man who served in the war, in which he congratulated the Congress and the Government upon the present way our hospitals are being conducted. In order that those who are now in charge of the Veterans' Bureau may know that at least one ex-service man appreciates what has been done for him, without taking up any further time, I ask unanimous consent

that I may include this short article as an appendix to my remarks.

The SPEAKER. The gentleman from Florida asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

The newspaper article referred to is as follows:

NEWSPAPER MAN OUT OF HOSPITAL—FRANK L. HUFFAKER, OF TAMPA, PRAISES UNITED STATES VETERANS' BUREAU.

[From the Jacksonville Times-Union, February 20, 1924.]

Fully recovered from a physical breakdown resulting from spinal injury received while serving in the American Tank Corps in France, Frank L. Huffaker, of Tampa, for years one of Florida's best known newspaper men, reached Jacksonville Monday from Gulfport, Miss., where he has been undergoing treatment at one of the numerous veterans' hospitals of the Nation. He spoke with characteristic interest of his experiences, and particularly of the determined and increasingly effective efforts being made for rehabilitation of disabled veterans by the United States Veterans' Bureau and medical men cooperating with that organization.

"Were I to write the story of these hospitals, large and small," said Mr. Huffaker, "I'd do so under the heading, 'Cities of hope-deadened men.' This for the reason that thousands of these nerve-tied and otherwise disabled fellows, in spite of their efforts to express their ideals and earn livelihoods without Government support are, like too-tightly reined horses, thrown backward to find not treatment alone but food and beds as well in the Government hospitals, the efficiency of which is steadily growing. But for these places of refuge thousands of veterans, including much decorated men, would be better off had they been left on Flanders fields. Chief aids of the personnel of all these hospitals are the 'little mothers' of the 'greatest mother in the world,' the American Red Cross Society, and the equally capable and willing 'little fathers' of the Knights of Columbus. I only wish the American people could realize the noble and effective work representatives of these organizations are doing.

"The experiences of these men, a majority of whom suffer stoically and with an ever-ready display of good humor, was never so thoroughly typified to me as during memorial services held in honor of Woodrow Wilson in the Red Cross recreation hall at the Gulfport Hospital. I visualized the herculean efforts of that great soul to cast aside the shackles of a broken body in a last effort to thrust forth a world ideal, and then I realized that my fellow patients and therefore his minions in lesser degree were passing through the same throes because of their efforts to 'make the world safe for democracy.'"

EX-ATTORNEY GENERAL GREGORY.

Mr. CONNALLY of Texas. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting therein a statement which was handed out at the White House some time ago, including a letter from ex-Attorney General Gregory to the President, and the President's comment thereon. My warrant for asking this is that the gentleman from Ohio [Mr. FOSTER] some week or 10 days ago made some remarks in the House that seem to reflect on ex-Attorney General Gregory, and I think it is fair that this statement which was handed out at the White House be inserted in the RECORD.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks in the RECORD in the manner indicated. Is there objection?

There was no objection.

Mr. CONNALLY of Texas. Mr. Speaker, under the leave granted to me to extend my remarks in the RECORD I beg to submit the following:

On February 1, 1924, the gentleman from Ohio [Mr. FOSTER] addressed the House and discussed the Teapot Dome and Doheny oil leases on the naval oil reserves. In the course of his remarks the following transpired:

Mr. FOSTER. When it is rumored that the President of the United States consults a Democratic member of the Supreme Court of the United States, and who recommends to him another Democrat from your State—a former Attorney General—and it then develops that such former Attorney General was an attorney for the Doheny interests, then President Coolidge should not appoint former Attorney General Gregory.

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. The Democrats would have picked some attorney wholly disconnected with oil leases.

Mr. LONGWORTH. I have just read a statement from the White House that the President is not going to appoint him. [Applause.]

In justice to Hon. T. W. Gregory, former Attorney General of the United States, to whom reference was made by the two

gentlemen from Ohio, it is only fair that the RECORD should contain the letter from Mr. Gregory to the President on the subject, and the President's comment thereon, as contained in a statement issued at the White House on February 2, 1924. They are as follows:

FEBRUARY 2, 1924.

Mr. President, on last Tuesday night, when I was in Austin, Tex., you stated to me over the long-distance telephone that you wished to employ me in the investigation of the leases of the naval oil reserves. You will recall that after expressing my appreciation I stated that I was not in close touch with the developments in the matter; that nothing occurred to me that would prevent me from serving, but that I would be in Washington Saturday afternoon—to-day—and would then confer with you on the subject. I had no idea that in saying this I was accepting an appointment or that you so understood it. I assumed that that would be decided when we conferred, and that in the meantime I would have an opportunity to go through my books and correspondence to see whether in the course of my private practice I had ever had any employments which might stand in the way. It was also my desire, before definitely committing myself, to confer with Senator WALSH of Montana, who has conducted the investigation of the Senate committee. I was very much surprised to read in the Texas newspapers the next morning that I had been appointed, but did not feel at liberty to make any public statement, and consistently declined to do so until I had seen you.

Of course, if it had been in my mind at the time of our telephone conversation that I had been employed by Mr. Doheny, directly or indirectly, or at any time, near or remote, that would have ended the matter at once, because I would have realized that however free from criticism such employment might have been, it would have disqualified me from acting as your counsel on the present occasion. I have no recollection of having seen or communicated with Mr. Doheny in my life, and at that time did not recall ever having had any business connection with him or with any company controlled by him.

I returned to Washington as quickly as possible, for the purpose of keeping my engagement with you, and arrived here this afternoon.

Yesterday while on the train my attention was called to a statement made the day before to the Senate Public Lands Committee by E. L. Doheny, to the effect that his company and several others employed me "to represent them before the President in regard to getting permits to drill oil wells in Mexico," and that "the Island Oil Co. billed us for \$2,000 as our share of the fee that they paid Judge Gregory for this particular work."

I would have been at a loss to know what he was referring to except for his mention of the Island Oil Co. I remembered perfectly my employment by that company, although some of the details had passed out of my mind. I have now refreshed my recollection by examining data in my office. The facts are as follows:

In the fall of 1919 the firm with which I was then associated had among its regular clients the Island Oil & Transport Co., which is evidently the Island Oil Co. referred to. It was a small independent company without any connection whatever, so far as I have ever known, with either Mr. Sinclair or Mr. Doheny.

The Island Co. asked me to act for it in the concerted effort then being made by American oil companies to get the State Department to take action to prevent the threatened confiscation of their properties in Mexico, the Carranza government having refused to grant them permits to drill on their own property unless they accepted the provision of the new constitution vesting title to oil and other minerals in the Government.

The purpose was to secure some character of diplomatic action by the United States Government which it was hoped would place American oil companies on the same footing as those of Great Britain, the latter having been allowed to continue development. The facts in regard to all the interested companies were about the same, the law as to all was the same, and there was general cooperation among them in attempting to obtain relief.

I gave the matter attention for some months, and the Mexican authorities finally extended to the American companies the privilege enjoyed by those of Great Britain.

This result was brought about in December, 1919, or January, 1920, and my employment in the matter ended then and there. I rendered a bill to the Island Co. for \$15,000, which it paid.

At some stage of the transaction the Island Co. stated that the work I did redounded to the benefit of other companies besides itself, and that, it being a small company, it would try to induce several of the others similarly situated to make contributions to the fee charged. I understood that some of them did so. The Huasteca Petroleum Co., which was controlled by Mr. Doheny, was one of these, and no doubt paid the Island Co. the \$2,000 referred to by Mr. Doheny.

This phase of the matter had entirely passed out of my mind. But even at the time I never thought of my employment as an employment by Mr. Doheny or his company, and he evidently did not, as his testimony before the Senate committee, as reported in the press, is to the

effect that he knew nothing about my connection with the transaction until within the last few days.

I have never felt that the transaction involved the slightest necessity for apologies, nor even for explanation, but for the unusual conditions which have arisen.

It is obvious, nevertheless, that the fact that one of Mr. Doheny's companies bore a part, however indirect and however small, of the expense of my employment by the Island Co. makes it inappropriate for me to act as your counsel in this matter.

Respectfully yours,

T. W. GREGORY.

To the PRESIDENT.

STATEMENT FROM THE WHITE HOUSE FEBRUARY 2, 1924.

The attached letter was made public at the White House to-day, accompanied by the following statement:

FEBRUARY 2, 1924.

The statement in the letter of Mr. Attorney Gregory to me regarding the conversation between him and me over the telephone and the inferences to be drawn from it are correct.

CALVIN COOLIDGE.

It will be noted from the correspondence set out above that Mr. Gregory, in the long-distance conversation referred to, was not employed by the President to conduct the prosecutions in connection with the leases on the naval oil reserves, and that it was not understood by the President that Mr. Gregory had agreed to accept such employment conditionally, but that the only agreement arrived at was that the President and Mr. Gregory should confer upon the arrival of Mr. Gregory in Washington on February 2. On February 1, at the very moment the gentleman from Ohio [Mr. FOSTER] was making his address, and at the very moment when the gentleman from Ohio [Mr. LONGWORTH] was making the statement that he had just read a statement from the White House that the President was not going to appoint Mr. Gregory, the ex-Attorney General was on the train en route to Washington, approximately a day's journey from the Capital.

The statement of the gentleman from Ohio [Mr. LONGWORTH] coming as it does from the Republican floor leader in the House of Representatives, and quoting a statement from the White House, must be deemed as authoritative. Its significance, however, lies in the fact that the White House gave out a statement to the effect that the President was not going to appoint General Gregory without consulting him, and without waiting for the conference which had been agreed upon between them. It seemed subject to the inference that the haste of the White House had been the cause of doing an injustice to Mr. Gregory, in thus terminating the matter without giving him an opportunity on his own accord to decline the employment, which he did upon arrival in Washington, at his conference with the President.

Mr. Gregory is a distinguished citizen of Texas, and for many years has occupied and now occupies an enviable place at the bar of that State. He served as Attorney General of the United States and his administration of that high office was characterized by great ability and by unflinching fidelity to the public interest. Both in public and in private his conduct in the practice of law has always been in accord with the highest and purest standards of professional honor and ethics. Though he declined employment in the naval oil reserve lease cases, through a fine sense of propriety, it may be said that had he accepted employment the Government would have had an able, fearless, honorable, and thoroughly ethical representative of its interests, capable of meeting any adversary in any forum.

RECKLESS DRIVING OF AUTOMOBILES.

Mr. LITTLE. Mr. Speaker, I ask unanimous consent to address the House for two minutes.

The SPEAKER. Is there objection?

Mr. GREEN of Iowa. Mr. Speaker, reserving the right to object, I shall not object to the gentleman having this opportunity, but I shall object to anything further.

The SPEAKER. Is there objection?

There was no objection.

Mr. LITTLE. Mr. Speaker, I would not have brought this up, but it is a matter of life and death. There are too many people killed around here by automobiles. I want to cite this situation to the House. This morning a poor woman in the employ of this House was, about 5 o'clock, going to her work. She got off the street car at the main door and a Cadillac machine, operated by two men, came by at 50 miles an hour and hit her. It dragged her for a block and a half, left her in a pool of blood on First Street, with one broken leg and one broken arm, with

probably death hanging over her, and got away. I have introduced a resolution to offer \$500 reward for the arrest and conviction of the drivers of the car, which I hope in due time will come before the House. I call the attention of the House to the absolute and almost total indifference to human life among the automobile people around this town.

I think that this poor woman is entitled to just as much protection as the Speaker would be, and I hope the House will take advantage of this opportunity to offer this small reward so as to catch them. I think I know how to get detectives after them.

Mr. LINTHICUM. Mr. Speaker, will the gentleman yield?

Mr. LITTLE. Yes.

Mr. FREAR. Mr. Speaker, believing this to be an important subject of discussion, I make the point that there is no quorum present. I think the point should be made at this time.

Mr. LINTHICUM. I want to say to the gentleman from Kansas that the best way to protect human life in the future is for the District of Columbia to adopt some title system for automobiles, so that they can not be transferred promiscuously from one person to another without some record being made.

LEAVE OF ABSENCE.

Mr. DOWELL. Mr. Speaker, I ask unanimous consent that my colleague, Mr. Kopp, be excused for the day.

The SPEAKER. The gentleman from Iowa asks unanimous consent that his colleague, Mr. Kopp, be excused for the day. Is there objection?

There was no objection.

NO QUORUM—CALL OF THE HOUSE.

The SPEAKER. The gentleman from Wisconsin makes the point of order that there is no quorum present. Evidently there is no quorum present.

Mr. LONGWORTH. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The SPEAKER. The Doorkeeper will close the doors, the Sergeant at Arms will bring in the absentees, and the Clerk will call the roll.

The Clerk called the roll, and the following Members failed to answer to their names:

Berger	Dominick	Kent	Rouse
Britten	Eagan	Kopp	Stalker
Burton	Edmonds	McFadden	Strong, Pa.
Carew	Fredericks	MacLafferty	Sullivan
Carter	Free	Martin	Taylor, Colo.
Cole, Ohio	Funk	Miller, Ill.	Thomas, Ky.
Corning	Gerran	Moran	Tydings
Cramton	Gifford	Nolan	Vare
Cullen	Hayden	Porter	Vinson, Ga.
Curry	Hull, William E.	Reed, W. Va.	Wilson, La.
Dempsey	Kahn	Romjue	Winslow

The SPEAKER. Three hundred and eighty-seven Members have answered to their names. A quorum is present.

Mr. GREEN of Iowa. Mr. Speaker, I move to dispense with further proceedings under the call.

The motion was agreed to.

The SPEAKER. The Doorkeeper will open the doors.

The doors were opened.

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled House joint resolution of the following title:

H. J. Res. 160. Joint resolution to provide an appropriation for the prosecution of suits to cancel certain leases, and for other purposes.

REVENUE ACT OF 1924.

Mr. GREEN of Iowa. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6715, the revenue bill.

The SPEAKER. The gentleman from Iowa moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the revenue bill. The question is on agreeing to that motion.

The motion was agreed to.

The SPEAKER. The gentleman from Illinois will please take the chair.

Accordingly the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, with Mr. GRAHAM of Illinois in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6715, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes.

Mr. GREEN of Iowa. Mr. Chairman, during the discussion that occurred last evening on the amendment I offered with reference to the gift tax it became fairly apparent, as I thought, that the House was not disposed to agree to the rates I presented in that amendment, but it also seemed to me that the Members of the House were disposed to agree to similar rates with similar intentions to those imposed upon inheritances. I, therefore, Mr. Chairman, withdraw the amendment which I offered last evening and will offer an amendment in place of it.

Mr. MILLS. Mr. Chairman, the gentleman, I take it, asks unanimous consent.

Mr. GARNER of Texas. The gentleman has the right to withdraw it.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to withdraw the amendment referred to. Is there objection?

Mr. GREEN of Iowa. I will ask unanimous consent.

Mr. TILSON. I have no objection to the gentleman withdrawing it by unanimous consent, but he has not the right to withdraw without the consent of the committee.

The CHAIRMAN. The Chair understands the gentleman has not the right to withdraw it without the consent of the committee, but the gentleman asks unanimous consent to withdraw his amendment. Is there objection?

Mr. MILLS. Reserving the right to object, Mr. Chairman, do I understand that the gentleman from Iowa, having submitted the well-considered and thought-out plan that he submitted last evening, now proposes to withdraw it and offer another?

Mr. BLANTON. Mr. Chairman, I ask for the regular order.

Mr. MILLS. Do I understand that he now desires to withdraw that and offer a substitute?

Mr. GREEN of Iowa. If the gentleman from New York would spare his sarcasm, I would say, "Yes."

Mr. BLANTON. Mr. Chairman, I ask for the regular order.

The CHAIRMAN. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. GREEN of Iowa. Mr. Chairman, I offer an amendment which I send to the Clerk's desk.

The CHAIRMAN. The gentleman from Iowa offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa: Page 150, after line 24, insert a new section as follows:

"SEC. 319. On and after January 1, 1924, a tax equal to the sum of the following is hereby imposed upon the transfer of property by gift, whether made directly or indirectly, by every person, whether a resident or nonresident of the United States:

"One per cent of the amount of gifts not in excess of \$50,000;

"Two per cent of the amount by which the gifts exceed \$50,000 and do not exceed \$100,000;

"Three per cent of the amount by which the gifts exceed \$100,000 and do not exceed \$150,000;

"Four per cent of the amount by which the gifts exceed \$150,000 and do not exceed \$250,000;

"Six per cent of the amount by which the gifts exceed \$250,000 and do not exceed \$450,000;

"Nine per cent of the amount by which the gifts exceed \$450,000 and do not exceed \$750,000;

"Twelve per cent of the amount by which the gifts exceed \$750,000 and do not exceed \$1,000,000;

"Fifteen per cent of the amount by which the gifts exceed \$1,000,000 and do not exceed \$1,500,000;

"Eighteen per cent of the amount by which the gifts exceed \$1,500,000 and do not exceed \$2,000,000;

"Twenty-one per cent of the amount by which the gifts exceed \$2,000,000 and do not exceed \$3,000,000;

"Twenty-four per cent of the amount by which the gifts exceed \$3,000,000 and do not exceed \$4,000,000;

"Twenty-seven per cent of the amount by which the gifts exceed \$4,000,000 and do not exceed \$5,000,000.

"Thirty per cent of the amount by which the gifts exceed \$5,000,000 and do not exceed \$8,000,000.

"Thirty-five per cent of the amount by which the gifts exceed \$8,000,000 and do not exceed \$10,000,000.

"Forty per cent of the amount by which the gifts exceed \$10,000,000.

"SEC. 320. The amount of the gifts subject to the tax imposed by section 319, in the case of residents, shall be the sum of all the gifts made by such resident during the calendar year, and in the case of nonresidents the sum of all gifts so made of property situated within the United States. If the gift is made in property, the fair market value thereof at the date of the gift shall be considered the amount of the gift subject to the tax.

"Where property is sold or exchanged for less than a fair consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the consideration received shall, for the purpose of the tax imposed by section 319, be deemed a gift and shall be included in computing the amount of gifts made during the calendar year.

"Sec. 321. For the purpose of this tax the amount of the gift subject to the tax imposed by section 319 shall be determined—

"(a) In the case of a resident, by deducting from the total amount of such gifts—

"(1) An exemption of \$50,000;

"(2) The amount of all gifts or contributions made within the calendar year to or for any donee or purpose specified in paragraph (3) of subdivision (a) of section 303, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act;

"(3) Gifts the aggregate amount of which to any one person does not exceed \$500.

"(b) In the case of a nonresident, by deducting from the total amount of such gifts—

"(1) The amount of all gifts or contributions made within the calendar year to or for any donee or purpose specified in paragraph (3) of subdivision (a) of section 303, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act;

"(2) Gifts the aggregate amount of which to any one person does not exceed \$500.

"Sec. 322. In case a tax has been imposed under section 319 upon any gift, and thereafter upon the death of the donor the amount thereof is required by any provision of this title to be included in the gross estate of the decedent then there shall be credited against and applied in reduction of the estate tax, which would otherwise be chargeable against the estate of the decedent under the provisions of section 301, an amount equal to the tax paid with respect to such gift; and in the event the donor has in any year paid the tax imposed by section 319 with respect to a gift or gifts which upon the death of the donor must be included in his gross estate and a gift or gifts not required to be so included, then the amount of the tax which shall be deemed to have been paid with respect to the gift or gifts required to be so included shall be that proportion of the entire tax paid on account of all such gifts which the amount of the gift or gifts required to be so included bears or bear to the total amount of gifts in that year.

"Sec. 323. Any person who within the year 1924 or any calendar year thereafter makes any gift or gifts of an aggregate value in excess of \$10,000 shall, on or before the 15th day of the third month following the close of the calendar year, file with the collector a return under oath in duplicate, listing and setting forth therein all gifts and contributions by him made during such calendar year, and the fair market value thereof when made, and also all sales and exchanges of property owned by him made within such year for less than a fair consideration in money or money's worth, stating therein the fair market value of the property so sold or exchanged and that of the consideration received by him, both as of the date of such sale or exchange.

"Sec. 324. The tax imposed by section 319 shall be paid by the donor on or before the 15th day of the third month following the close of the calendar year, and shall be assessed, collected, and paid in the same manner and subject, in so far as applicable, to the same provisions of law as the tax imposed by section 301."

Mr. GREEN of Iowa. Mr. Chairman, this amendment is identical with the one which I offered last evening with the exception of a change in the rates and another change which I shall mention. The rates are made the same as in the inheritance tax, with an exemption of \$50,000 to start with and then graded up by the same progression as in the tax upon inheritances. I have also made one further change, that of exempting entirely gifts to a single person to the extent of \$500, made during the year, which Members of course understand would exempt such persons, no matter how many there were of these different persons. I have included this exemption for the purpose of avoiding any objection on the ground that the tax otherwise might apply to small charities and bonuses given by certain business concerns, or anything of that kind, although the exemption of \$50,000 would be likely to be sufficient for that purpose.

Having made this statement, Mr. Chairman, I will now listen to the "carefully considered" objections of the gentleman from New York [Mr. MILLS].

The CHAIRMAN. The gentleman from New York is recognized.

Mr. MILLS. Mr. Chairman, it is, of course, impossible to make carefully considered objections to a measure which is submitted to you one minute before, and I do not propose to do so. But I want to congratulate the nominal chairman of

the Ways and Means Committee on having obtained the consent of the acting chairman of the Ways and Means Committee and leader of this House to pass this amendment.

On yesterday the gentleman from Iowa introduced one of his pet measures, the so-called gift tax, and the gentleman from Texas [Mr. GARNER], the real leader in the matter of revenue legislation [applause], got up and informed the gentleman from Iowa that the form in which he submitted the amendment was unsatisfactory to him. Whereupon the gentleman from Iowa consulted the gentleman from Texas; the gentleman from Texas then rewrote the amendment for him [applause], and now having obtained the Garner stamp of approval, it is brought to the House this morning.

I want to say to my friend from Texas that I think he has much improved the amendment. As offered by the gentleman from Iowa yesterday this ridiculous situation might occur: A man might give his son \$10,000 to set him up in business the first of the year, and thereupon—throughout the year, if you please—if he gave two pencils to his little daughter with which to go to school he would have to make a note of it and pay a tax; if he took his wife to the theater at any time during that year he would have to note that he paid \$2 for the theater ticket and paid the tax, and every tip given to a bell boy or waiter would have to be carefully noted and be subject to the tax.

Of course, acting under the guidance and suggestions of the distinguished gentleman from Texas—who can improvise a tax law on the floor of this House, and he has done so in the last week [laughter and applause]—the matter is in fair shape.

I want to point out to the gentlemen of this House that that is exactly what we are doing. If the gentleman from Texas were the chairman of the Ways and Means Committee he would not introduce a gift tax or an inheritance tax without holding hearings, considering the matter, and submitting a report to this House; but as we are doing business to-day the gentleman from Texas has all the power, apparently, of the leader of a majority party without recognizing any of its responsibilities. [Laughter.] And, therefore, he has undertaken to write a revenue bill on the floor of this House. He has done so. That is the bill we are going to be called upon to vote on this week—not the bill reported by the committee, because this does not vaguely resemble the bill reported by the Ways and Means Committee, but is a bill written on the floor of this House by improvisation. You have heard of great musicians sitting down at a piano and improvising a tune. The gentleman from Texas sits at that table and improvises a revenue law and the House is asked to adopt it.

Why, gentlemen, in the future, if this practice is to be followed, this is what I would suggest: That the Ways and Means Committee report a bill with only the title, and that thereupon each Member of the House shall write on his cuff what he deems to be a wise measure of taxation; that the cuffs shall be handed to the gentleman from Texas and with his O. K. they shall be handed in at the desk and then voted on cuff by cuff. [Laughter and applause.]

Now, there are some obvious objections to this method of procedure—

Mr. LONGWORTH. Will the gentleman yield?

Mr. MILLS. Yes; I yield to the gentleman from Ohio.

Mr. LONGWORTH. In view of the action of the recent Democratic caucus, might not a collar be more suitable? [Laughter and applause.]

Mr. MILLS. I accept the suggestion. Now, as I say, there are some very obvious objections to this method of procedure, and before the gentleman from Texas gets through—

The CHAIRMAN. The time of the gentleman has expired.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that the gentleman from New York may proceed for such time as he desires. [Applause.]

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the gentleman from New York may proceed for such time as he may require.

Mr. BLANTON. Mr. Chairman, I make the point of order that that is out of order.

Mr. GREEN of Iowa. Then, Mr. Chairman, I withdraw that request and ask unanimous consent that the gentleman from New York may be permitted to proceed for 10 additional minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that the gentleman from New York may proceed for 10 additional minutes. Is there objection?

There was no objection.

Mr. MILLS. Mr. Chairman, I do not think I shall require more than two minutes, and I apologize to the House for taking up so much of its time; but I can not resist making this ob-

servation to my friend from Texas: That his method of procedure, while in some ways admirable and really a tribute to his genius, is bound, before he gets through, to involve him in very serious difficulty; and I have never seen a man more earnestly trying to get out of the pit he has dug for himself than the gentleman from Texas. He has created a great big deficit, and he knows that when he comes to the automobile taxes, whether he admits it or not, he is going to create a greater deficit. He has managed, by abandoning the fundamental principle of Democracy, namely, the rights of the States to be independent of the Federal Government and to have revenue which properly belongs to them, by abandoning that principle yesterday and depriving the States of one of their great sources of revenue he managed to gather in some \$20,000,000. That helps a little, but only very little. Before the morning is out the gentleman is going to suggest a tax, I think, on cigarettes. I want to say to my friend from Texas [Mr. GARNER] that he is not even going to get \$20,000,000 more. He is not going to get anything more from that suggestion.

I want to make this further prophecy now. When the gentleman from Texas gets through framing this Garner bill, improvised on the floor of the House, his \$300,000,000 deficit will be increased to \$325,000,000. Not only that, but he will have framed a bill for which your party will have to assume entire responsibility. [Applause.]

I do not know how my colleagues on the Republican side feel, but I want to say here and now that as the bill is written I can not support it, and will not support it [applause]; and it will be up to my friend from Texas to explain to the country how, in spite of his brilliant improvisation, he has passed through the House of Representatives a measure which will create a deficit of \$325,000,000, at least, in the Treasury, and which may for that reason never become law. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman—

The CHAIRMAN. The gentleman from Iowa is recognized. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, at the outset I want to congratulate my friend from New York on the magnificent argument he has made against this amendment. If he had any reasons to show why it ought not to be adopted, and I suppose he has because he will vote against this amendment, he did not present them. Instead of that he indulged in a flight of his imagination with reference to what had been going on between myself and the gentleman who is the leader upon the other side so far as this bill is concerned. The gentleman's imagination is such that it is not as usefully employed on the floor of this House as it would be if he were writing some novel or romance. [Laughter and applause.] The gentleman is using his energies in the wrong direction. I offered this amendment last night and I offered it after careful consideration, but the Members of the House did not seem disposed to accept the rates I had in it at that time.

Mr. MOORE of Virginia. Will the gentleman let me ask one question?

Mr. GREEN of Iowa. Just a moment, and then I will gladly yield to my friend from Virginia. If this amendment either as presented last night or as presented now was a useful and proper amendment, then the gentleman from New York ought to be using his powers to support it, if it is a good amendment. If it is not a good amendment, he ought to be able to give us some reason why it should not be adopted. The gentleman from New York with all his brilliancy, and he has brilliancy, has been found in this House here on every occasion, when we sought to introduce anything that would prevent evasion of a tax and its payment on a basis of fairness, equality, and justice, opposing those amendments or at least voting against them. [Applause.]

Just one word more and then I will yield to the gentleman. The gentleman talks about leadership. Who has been assuming leadership on this side? Why, the gentleman from New York, in the committee and elsewhere, has been usurping the powers of the chairman of the committee or those that ought to belong to the chairman of the committee. [Applause.] When I state that, I state only something that has been well known to everybody. In fact, he has gone further. He has been the whole committee.

Mr. WEFALD. The country knows it.

Mr. GREEN of Iowa. If the country does not know it, it is time they did know it.

Mr. WEFALD. The country knows it.

Mr. GREEN of Iowa. Now, gentlemen can take their choice. So far as I am concerned, I do not care whether a matter is approved by the gentleman from Texas [Mr. GARNER] or whether it is approved by the gentleman from New York [Mr. MILLS]. I will support it if it tends to prevent evasion under

this law, and I will use my best endeavors to put it in the bill. [Applause.] Ever since I was connected with revenue matters, ever since I have been on the Ways and Means Committee, I have been endeavoring to get a gift tax inserted in the law. I proposed it at the first session when I was a member of that committee some 10 years ago. Ever since that time I have been laboring to get it inserted in the law, because I knew just exactly what would happen, namely, that these big estates would be gradually split up into different parts, thereby defeating both the income tax and the inheritance tax, and that is the reason our revenues are so rapidly decreasing from the big estates.

The CHAIRMAN. The time of the gentleman has expired. Mr. MOORE of Virginia. Mr. Chairman, I ask unanimous consent that the gentleman from Iowa may have five minutes more in order that I may ask a question.

The CHAIRMAN. The gentleman from Virginia asks unanimous consent that the time of the gentleman be extended five minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. MOORE of Virginia. I will ask the gentleman if it is not a fact that there was before the Ways and Means Committee a bill which included a tax upon estates and also a tax upon gifts, the Ramseyer bill, and whether or not those matters were the subject of more or less discussion in the committee?

Mr. GREEN of Iowa. No; they were not subjects of discussion in the committee; but I will say that they were the subject of discussion at a meeting which the gentleman from New York [Mr. MILLS] attended in my own office right off of this room.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield to me?

Mr. GREEN of Iowa. Yes.

Mr. McLAUGHLIN of Michigan. The gentleman from New York has evidently recognized the very general feeling throughout the country in opposition to the accumulation of great wealth and the feeling in the country that it ought to be more generally distributed, and is it not true that the gentleman seems to feel that that objection can be removed by dividing up these great bodies of wealth among the members of the family and for the purpose of escaping taxation? [Applause.]

Mr. GREEN of Iowa. The gentleman is entirely right.

Now, Mr. Chairman, just one word more. As I stated yesterday, it is perfectly idle to increase the rates on the great incomes and it is perfectly idle to increase the rates on these big bequests if you do nothing in the way of checking the evasions that are continually going on. The amendment which I have offered is simply a corollary to the inheritance tax and goes necessarily with it. I want to say frankly that this amendment will not produce any considerable amount of revenue.

Mr. HUDSPETH. What are the exemptions, if my friend will tell us, please—up to what amount?

Mr. GREEN of Iowa. Fifty thousand dollars each year is exempted and then \$500 gifts to any number of single individuals.

Mr. HUDSPETH. There was some confusion in our minds about that, and that is the reason I asked the gentleman the question.

Mr. GREEN of Iowa. Fifty thousand dollars is exempted to start with.

Mr. MORTON D. HULL. Why is the amount put at \$500?

Mr. GREEN of Iowa. Five hundred dollars to any one individual in the course of a year, no matter how many separate individuals it may be given to.

Mr. MORTON D. HULL. If I am supporting a dependent relative and paying more than \$500 a year, perhaps \$1,000 a year, do I pay on that amount spent for support?

Mr. GREEN of Iowa. Such payments are not excepted, but you would have an exemption of \$50,000 to start with, but if you paid more than a total of \$50,000, you would be taxed.

Mr. YATES. Will the gentleman yield?

Mr. GREEN of Iowa. I will.

Mr. YATES. Have you made any attempt to estimate the amount of revenue that would be received by the gift tax?

Mr. GREEN of Iowa. I have just stated that I do not think that this amendment as a direct tax would produce any considerable amount of revenue. I doubt whether it will produce more than a million dollars. Its main purpose is not to produce a revenue, but is to stop evasion on the part of men of great wealth who are able to give away large sums of money. Indirectly, I think it will bring us a large item into the Treasury.

Mr. FREAR. And catch it in an inheritance tax.

Mr. GREEN of Iowa. Yes; or income tax.

Mr. MILLS. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amend the amendment in line 5 by striking out the figure "1" and inserting the figure "2."

Mr. GRIFFIN. Mr. Chairman, can we have the amendment read as it would read if amended?

Mr. MILLS. Let me say to the gentleman that that is of no importance.

Mr. Chairman, I regret very much that the chairman of the Ways and Means Committee should feel that I have in any way attempted to assume the responsibilities of leadership. Nothing could be further from my thoughts. I have noted, however, on the Democratic side the affirmative, aggressive, partisan, Democratic character of the leadership offered by the gentleman from Texas [Mr. GARNER]. Personally, as a partisan, I commend the gentleman from Texas for the loyalty with which he is supporting his party. I want to say that I oppose the partisanship of my friend from Texas with what I consider to be a 100 per cent brand of Republicanism. [Applause.]

I have supported this bill with all the energy and enthusiasm and ability that I have because I believe in it, and if I have erred on the side of being too earnest about it I have no apologies to make. A man's duty on the floor of this House is to present his views, what he believes to be the views of his constituents, to the best of his ability, and when he does that I deny that he is subject to the criticism of the chairman of the Ways and Means Committee or anyone else in this House. [Applause.]

Now, the gentleman wants to know why I treat with levity the proposition which is now before the House. It is because, gentlemen, it is impossible to treat it in any other way. You can not treat it seriously because it accomplishes no serious purpose.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. MILLS. I can not yield.

Mr. GREEN of Iowa. How many times does the gentleman want to speak on this subject?

Mr. MILLS. I decline to yield. The gentleman wants to know why I oppose this amendment. Because it is wholly ineffective. The gentleman says he wants to prevent the splitting up of large estates to avoid an inheritance tax, and that he has submitted a plan that will do it. It is preposterous. A man could give away \$49,000 to his son for 10 years and yet not pay one nickel of tax. He can give his son \$100,000 for 10 years, and give him a million dollars, and only pay \$5,000. The whole thing is a joke. It is a jest. I may disagree with some of the gentlemen here, and I know that I do on various tax measures.

But everyone will agree that the one kind of legislation which is bad and indefensible is legislation that kids the people into believing that you are accomplishing something when there is not the slightest chance of accomplishing anything. You can drive a horse and wagon through this amendment every year and every day in the year in so far as it purports to help the enforcement of the inheritance tax is concerned, and that is the reason it should be opposed.

Mr. NELSON of Wisconsin. Will the gentleman yield?

Mr. MILLS. I will.

Mr. NELSON of Wisconsin. Will the gentleman outline the kind of a gift tax that he would support and that would be effective?

Mr. MILLS. That question illustrates the difficulty of trying to write a bill on the floor of the House. The gentleman from Texas [Mr. GARNER] yesterday stated that when the Democrats were in control in the Ways and Means Committee they considered a gift tax very seriously and ran into so many difficulties that they abandoned it.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. MILLS. I will.

Mr. GARNER of Texas. May I correct the gentleman? It was not while the Democrats were in charge, it was in 1921. If the Democrats had been in charge we would have written it into the law. [Applause.]

Mr. MILLS. I want to say that it is enormously difficult to improvise a tax of this kind and write it overnight. Here is the first thing that occurred to me: Why do you impose a tax on the donor? Here is a man who is parting with his property. When you impose an income tax you impose it on the man receiving the income. When you impose an inheritance tax the tax comes out of the estate and the legatees. But here is an extraordinary form of taxation where you impose the tax on the man that parts with the property and try to attach a lien on the property in the hands of the new owner. I do not know to-day, from the reading of this bill, whether the lien shall

attach in the hands of the party who buys it from the donee in good faith.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. GARNER of Texas. Mr. Chairman and gentlemen of the committee, what I told you in the opening of this debate has been confessed on the floor of the House this morning, and that is that Mr. MILLS, of New York, wrote this bill in the Ways and Means Committee and that 10 of his colleagues joined him in the report. I regret to hear the gentleman from New York [Mr. MILLS] state that the bill has been amended to the point where he can not support it. What amendment has been placed in this bill that brings Mr. MILLS to that conclusion? If Mr. MILLS and his associates in the beginning of the consideration of the Mellon bill had submitted it to their conference under the leadership of the gentleman from Iowa [Mr. GREEN], I undertake to say that a close tab on that conference would have revealed the fact that he would get only 108 Republicans to indorse the Mellon plan.

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. MILLS. How many Republicans on the teller vote voted for the so-called Treasury rates?

Mr. GARNER of Texas. One hundred and fifty-two, it is true, but I said in the beginning, before the gentleman from New York [Mr. MILLS] and before the Treasury Department got in their work. Then there were only 108 Republicans that you could find that would agree to support the Mellon plan. Is not that so, Mr. LONGWORTH? Now, gentlemen, since you have said that this is a Democratic bill and that we are responsible for it, I want to let the country know and the Republicans of the country understand that you wrote this bill. Why didn't you call in Mr. HAWLEY—he is the next one, if you did not want Mr. GREEN? Why didn't you call in Mr. TREADWAY, the next one? Why didn't you call on some other Member, older in service than the gentleman from New York [Mr. MILLS], to write this bill?

Mr. MILLS. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. MILLS. While I consider it a great credit to have written the bill, I want to say flatly to my friend from Texas that I did not write it.

Mr. GARNER of Texas. I know the gentleman did not write it in his own handwriting.

Mr. MILLS. Oh, no.

Mr. GARNER of Texas. But the gentleman dictated the provisions of this bill more than any other man, practically.

Mr. MILLS. Oh, no. I say to the gentleman from Texas that that is not so.

Mr. GARNER of Texas. I shall ask every member of the committee if the gentleman from New York was not the most potential factor in the committee? Does any gentleman rise and say, "No"? Not a one. He helped to frame it at the Treasury Department. You will not deny that? The Secretary of the Treasury finds it necessary to summon the only man on the Ways and Means Committee who has the viewpoint that he has and who can approach him in money to write a bill, and then that gentleman comes in here and because, forsooth, we as the representatives of the people, whose duty it is and who the Constitution requires shall enact legislation, when we have seen fit to change a portion of the bill, rises in his place this morning and tells the world, "You have changed this; it is no longer the Mellon bill and my bill, and I do not propose to vote for it." I dare the people on the Republican side to follow the gentleman from New York on the final passage of the bill.

Mr. CRISP. Is it not true that the only fundamental changes made are that they adopted the so-called Garner rates instead of the 25 per cent rate and also authorized committees of the House and Senate by a majority vote to see income-tax returns?

Mr. GARNER of Texas. That is all. They say that this amendment is a joke. Do you suppose if OGDEN MILLS thought this was a mere gesture, he would be up here trying to ridicule it out of court? He knows what it will do.

Mr. MILLS. Mr. Chairman, if the gentleman will yield?

Mr. GARNER of Texas. The gentleman from New York knows that this amendment if it is adopted will prevent the transferring of large estates and avoiding paying estate taxes, that it will prevent the dividing up of large estates, and therefore escape from the high surtaxes. Those are the two things it will do, and in doing that in my opinion it will raise \$25,000,000 in the Treasury next year. I say that it will raise that in the way of protection only, increasing the taxes on both estates and the surtaxes of those estates which have been divided up.

Let me ask you Republicans a question. You say you are not going to vote for this bill now. You surely will not say that, and when this bill comes up on its final passage I want to see how many of you are going to follow Mr. MILLS, because when you do that you are going to make a record, and when you go back home you have to meet that record, and the question is, and the question will be, "Do you like this law for the reduction of taxes better than the present law," and you can not make any other issue out of it to save your life. I do not think there is a single constituent in the United States that does not think we ought to have a tax reduction.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CRISP. Mr. Chairman, I ask unanimous consent that the gentleman's time be extended for five minutes more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. SNYDER. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. SNYDER. The gentleman has said that this gift tax would raise \$25,000,000. The distinguished chairman of the Ways and Means Committee says that it would raise a million dollars. You gentlemen must have your wires crossed.

Mr. GARNER of Texas. Here is what the gentleman from Iowa says. He said it would raise probably a million dollars in taxes. I say that it will raise \$25,000,000 by preventing the escape from other taxes.

Mr. GREEN of Iowa. I said that it would not raise very much as a direct tax.

Mr. GARNER of Texas. Certainly. Of course the gentleman from New York can not see that, because he does not want to see it. The New York viewpoint is such that it can not see anything outside of Wall Street.

Mr. SNYDER. Oh, let me tell the gentleman that I am in favor of this amendment.

Mr. GARNER of Texas. I am very glad to know that, and I take it all back, if it will do any good.

Mr. LA GUARDIA. I hope the gentleman will limit his definition of a New York viewpoint.

Mr. GARNER of Texas. I mean where they make the districts long and take in Fifth Avenue as a backbone.

Mr. LA GUARDIA. We have other streets in New York than Wall Street.

Mr. GARNER of Texas. There is one good thing about this occurrence this morning, and it is some consolation to those who believe this bill ought to become a law and passed as it has been written. The confession of the gentleman from New York, I imagine, is reflected by the gentleman from Ohio [Mr. LONGWORTH]. I imagine my friend from Ohio is very much weakened this morning about the ultimate success of his famous compromise.

Nobody knows what it is. Mr. FREAR has been asking for it half a dozen times through the press and on the floor of the House, but he has never given it to anybody. He is keeping it off with great secrecy, hoping to spring it suddenly and have all the Republicans follow. Gentlemen, are you going to do that when the time comes for the final passage of this bill? You have to go on record on the amendment. That is one thing certain. You have to go on record as between 44 and 25. You can not get away from that. That part of it you can not avoid. Your record is made. You can not avoid that.

Suppose you strike out 44 or fail to adopt 44 and leave 25. How many of you will support the motion to reconsider? How many Republicans on this side will it require to make a majority of them, a majority on this side of the Chamber against the Mellon plan? I make that statement, and I make it advisedly.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Oh, there comes the substitute whip on the Republican side. [Laughter.] I guess I shall have to yield to him.

Mr. BEGG. The gentleman from Ohio would rather be the substitute whip on the Republican side than be the whip on the minority side. [Applause.]

Mr. GARNER of Texas. I do not doubt that; I do not question that.

Mr. BEGG. The gentleman is mistaken when he says a majority on this side are against the Mellon plan, because I know a majority on the roll call is on the other side; a majority is in favor of the Mellon bill, and a decided majority.

Mr. GARNER of Texas. How many? How much? Name them.

Mr. BEGG. Wait until you call the roll, and then you will find out.

Mr. GARNER of Texas. Tell us how many.

Mr. BEGG. We had 152 on the only opportunity we had to get a vote, with 13 absent.

Mr. GARNER of Texas. Does the gentleman say he has 152 to vote on the Mellon plan on the roll call?

Mr. BEGG. Absolutely, and more than that. [Applause.]

Mr. GARNER of Texas. I do not believe it.

Mr. BEGG. I would like to ask the gentleman from Texas another question.

Mr. GARNER of Texas. Does not the gentleman think he should give the whip a chance?

Mr. BEGG. I do not mean to step back for the whip.

Mr. GARNER of Texas. I will answer the gentleman.

Mr. BEGG. Are you not doing just exactly as we prophesied would happen when this great rule was put over in the rules, namely, when anybody can offer an amendment on the floor? We are now in passion legislating against Mr. MILLS because he happens to be wealthy.

Mr. GARNER of Texas. If the gentleman wants to make a speech I will get him time.

Mr. BEGG. Get me time. And in passion on the gentleman's side, when he stood up in his caucus and appealed to the Republicans to vote with the Democrats; and that has produced chaos. [Applause.]

Mr. GARNER of Texas. That is about as much information as the gentleman ever gives anyone, and that is none.

Mr. BLANTON. Mr. Chairman, I offer an amendment to the amendment; a substitute for the Mills amendment.

Mr. DAVEY. Mr. Chairman, I have an amendment to offer.

Mr. TREADWAY. Mr. Chairman, there is an amendment pending, and I rise in opposition to the amendment of the gentleman from New York.

Mr. DAVEY. This is an amendment to the amendment. Section 320—

The CHAIRMAN. The Chair is reminded that there is an amendment to the amendment, offered by the gentleman from New York.

Mr. TREADWAY. I rise in opposition to it.

Mr. BLANTON. I offer a substitute for the Mills amendment.

Mr. LONGWORTH. Mr. Chairman, it seems to me that the gentleman from Massachusetts [Mr. TREADWAY] is at least entitled to recognition.

The CHAIRMAN. The gentleman from Massachusetts is entitled to recognition if he has an amendment.

Mr. LONGWORTH. He wishes to speak in opposition to the amendment.

The CHAIRMAN. The Chair will state that he would recognize the gentleman from Massachusetts. If any gentleman offers an amendment to the amendment as a substitute, he would have the right to offer it, on which further debate could be had on the amendment itself.

Mr. BLANTON. I appeal to the parliamentary rules, Mr. Chairman.

Mr. TREADWAY. I ask for recognition as a member of the committee on the pending amendment.

The CHAIRMAN. The Chair does not think, on inspection of the substitute offered by the gentleman from Texas, that it is a substitute.

Mr. BLANTON. Why is it not? I offer an amendment to change the rate.

Mr. TREADWAY. It makes no difference how the gentleman offers it. Let the Chair rule upon it.

The CHAIRMAN. It looks to the Chair as if this were simply an amendment to the amendment, and it looks to the Chair as if it would not be in order.

Mr. BLANTON. Mr. Chairman, I rise to a point of order. Here is the situation—

Mr. TREADWAY. The Chair knows the situation, and has ruled. I claim that the gentleman from Texas is out of order.

Mr. BLANTON. The Chair knows the rules.

The CHAIRMAN. Let the gentleman from Texas make his point of order.

Mr. BLANTON. A point of order, Mr. Chairman. The fifth line starts out, "1 per cent above \$50,000." The gentleman from New York [Mr. MILLS] offered to strike it out and make it 2 per cent. I offer a substitute to strike out "1 per cent" in the bill and make it "one-half of 1 per cent." That is a substitute. If it is not, I do not know how to write one.

Mr. TREADWAY. I make the point of order, Mr. Chairman, that that is an amendment to the third degree, and out of order.

The CHAIRMAN. The Chair thinks he understands what it is. The substitute offered by the gentleman from Texas [Mr. BLANTON] reads as follows: "Strike out '1 per cent' and insert 'one-half of 1 per cent.'" That is not a substitute amendment.

The gentleman from Massachusetts [Mr. TREADWAY] is recognized.

Mr. TREADWAY. Mr. Chairman, I always enjoy following the gentleman from Texas [Mr. GARNER]. I realize that he is more entitled to the floor than I am, but it is a great pleasure occasionally to have a little sport with him, even when we are discussing serious matters, and this is a serious matter, which he has discussed in a spirit of great levity.

The gentleman from Texas asks whether or not we are going to dare—he used the word “dare”—vote against the Garner amendment when it comes to final passage. He thinks there are very few, but I want to join that small group, and I do dare vote against the Garner amendment and I intend to do it on a roll call. [Applause.] There are at least 152 others who will do the same and we expect to be joined by some who were not present. So the gentleman from Texas can not get away with that facetiousness about the majority of the Republicans not being for the rates in the bill; they have been for them from the start, and, except for the confusion worse confounded which the gentleman from Texas has thrown into the steering gear of this machine, there would be no trouble about passing the bill; he is the one who is making the trouble, not the Republicans. [Laughter.]

Now, there has been considerable said here about leadership, and our distinguished chairman of the Ways and Means Committee has taken exception to those who differed with him on this bill. I am one of those who differed with him and that is the reason he has not had control of our committee; he has not stood for what the majority of his party wanted to be written into the bill. [Applause.]

The gentleman from New York [Mr. MILLS] has not assumed leadership in the committee, and it was extreme discourtesy to make such a statement as that. Nor has he written this bill. I defy the gentleman from Texas to bring forward the slightest proof that the gentleman from New York has had the writing of this bill. As a matter of fact, he has not had the writing of it.

Mr. HOWARD of Nebraska. Will the gentleman yield?

Mr. TREADWAY. I shall be very glad to yield. If the gentleman from Nebraska wishes to take the place of the Democratic leader, I shall be glad to yield.

Mr. HOWARD of Nebraska. I am not competent to do that.

Mr. TREADWAY. I think the gentleman is, and he is assuming his place now.

Mr. HOWARD of Nebraska. In his absence I do not intend to let the gentleman get away with a bluff.

Mr. TREADWAY. There is no bluff about it, as I am merely stating facts. I shall be very glad to hear the gentleman's question, if it is a question, but not a speech.

Mr. HOWARD of Nebraska. The question is this, my friend—

Mr. TREADWAY. Thank you.

Mr. HOWARD of Nebraska. And I am. [Laughter.] The gentleman distinctly stated that he dared the gentleman from Texas to prove a certain proposition.

Mr. TREADWAY. I repeat it.

Mr. HOWARD of Nebraska. I call to the gentleman's mind the fact that only two minutes ago the gentleman from Texas stood there and challenged any Member on your side to rise and disprove his statements.

Mr. TREADWAY. Yes; and in doing that he broke the confidence of an executive session of the committee. [Applause.] And that is the reason why nobody took the dare. When the gentleman from Nebraska is a little more familiar with procedure here he will ascertain that all committee matters are not supposed to be debated on the floor in the way they have been debated for the last week or so.

Mr. HOWARD of Nebraska. I am sufficiently familiar with JOHN GARNER to repel the insinuation that he broke any confidence. [Applause.]

Mr. TREADWAY. But we know the way in which he can insinuate and break confidences. Nobody has a higher respect for the gentleman from Texas than I have; I assure you of that.

There have been some very unfair insinuations on the part of the gentleman from Texas against the gentleman from New York [Mr. MILLS]. The insinuations are that he is influenced by his personal interests in regard to this bill. The gentleman from Texas makes that insinuation when he continually refers on this floor to the gentleman from New York as being a man of means and that, therefore, he, as the Representative of the people, would so far debase his oath of office as to consider his personal interests in preference to his duty as a Congressman. I resent that insinuation. [Applause.] It is natural that the gentleman from New York should not be the one to

reply in reference to his own affairs. I do not know anything about the gentleman's bank account, nor do I know anything about the bank account of the gentleman from Texas. But the insinuation that any man here would pretend or would dare to be so governed in his conduct in writing a measure of this kind and in assisting in its preparation would be influenced by his personal bank accounts is beneath the gentleman from Texas, and he should withdraw those statements and never make them again. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on this amendment and all amendments thereto close in 10 minutes. Is there objection?

Mr. TAGUE. Mr. Chairman, reserving the right to object—

Mr. GREEN of Iowa. Mr. Chairman, I make it 15 minutes.

The CHAIRMAN. The gentleman from Iowa asks permission to modify his request and make it 15 minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. BLANTON. Mr. Chairman, I offer a substitute.

The CHAIRMAN. The gentleman from Texas offers a substitute, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON as a substitute for the Green amendment: The Green amendment amended as follows: On page 1, line 5, strike out 1 per cent and insert in lieu thereof one-half of 1 per cent.

Mr. TILSON. Mr. Chairman, I make the point of order that the gentleman from Texas can not do by indirection what he can not do directly.

Mr. BLANTON. Mr. Chairman, the Clerk did not read all of my substitute. I have put it in the form of a substitute, and if the Chair will inspect it he will see it is in the nature of a substitute.

Mr. GREEN of Iowa. If my friend simply wants to speak, why does he not get recognition and go ahead?

Mr. BLANTON. That is what I am trying to do now, but I am trying to do it in an orderly way under the rules of the House.

The CHAIRMAN. The substitute of the gentleman from Texas [Mr. BLANTON] is rather informal but the Chair assumes it constitutes a substitute, unless objection is made to its form. The gentleman seeks to adopt the Green amendment with the change of certain language which he specifies.

Mr. BLANTON. I did not want to have to rewrite the whole proposition; that is all.

Mr. TILSON. Mr. Chairman, I have not the amendment before me, but is it not a change of the very paragraph that the gentleman from New York attempted to amend by his amendment, and if so, it is an amendment in the third degree.

Mr. BLANTON. No; it is a substitute, Mr. Chairman, pure and simple. But if it will better please the gentleman, I move to strike out the last two words.

Mr. TILSON. I make the point of order, Mr. Chairman, that that is an amendment in the third degree.

Mr. BLANTON. Then I insist on my substitute, Mr. Chairman, as it is clearly in order.

Mr. TILSON. There is already an amendment and an amendment thereto pending.

The CHAIRMAN. The Chair thinks the substitute is in order. It is informal, but in order.

Mr. BLANTON. Mr. Chairman, my object is to use five minutes on this pending question. I know that a belief has lodged itself unfortunately in the breasts of many of our distinguished members of the Ways and Means Committee that no one else here is interested in tax legislation but members of that committee, and that we other Members are guilty of lese majesty in attempting to speak on tax legislation. I know that idea seems to prevail. I am sorry to see it exhibited in such a broad-minded man, usually, as our friend from Connecticut [Mr. TILSON].

The gentleman from New York [Mr. MILLS] would have us believe that only he and the gentleman from Iowa [Mr. GREEN], and the gentleman from Texas [Mr. GARNER], and Mr. Secretary Mellon are interested in this revenue bill. Why, there are 435 Members of this Congress now framing this revenue bill in this Committee of the Whole House on the state of the Union. There are 110,000,000 people in the United States who are interested in it, and I want to say to the gentleman that when this bill is passed finally it is not the Mills bill or the Mellon bill or the Green bill or the Garner bill; it is the American

people's measure when it becomes the law of the land. The gentleman from New York [Mr. Mills] intimates that he is going to vote against it, and therefore further intimates that the President will veto it after the House and Senate pass it.

Here is the situation: The people of the United States do not care how you designate this bill. They do not care how you name it. They do not care whether it is the Mellon bill or the Mills bill or the Green bill or the Garner bill or the Frear bill, but what they are interested in is the wording of its provisions and the fact that it reduces their taxes. That is the main point they are interested in, and I want to say to the distinguished gentleman from New York and every member of his party that if this bill passes as it is written, reducing the taxes of every citizen of the United States who pays an income tax, reducing it under the amount payable under the present law—I want to say to him and to his party that if his President vetoes it they are going to hear the biggest howl from the American people that they ever heard before, because the people are not going to stand for it.

Mr. KING. What does the gentleman mean by "his party"? I never heard of that party before.

Mr. BLANTON. I mean the 152 gentlemen about whom our friend from Ohio [Mr. Begg] spoke so eloquently, otherwise known as the standpat regulars. I do not refer to the gentleman from Illinois, because he is not going to vote with Mr. Mills on that proposition. And I do not mean the balance of the Republican majority, because they have seen the light on this proposition and they know that this bill has been amended in the interest of the people of America, and I doubt that they will ever vote against it, even under the whip and spur of the Republican steering committee.

Mr. WAINWRIGHT. Will the gentleman give way?

Mr. BLANTON. Certainly; I yield for a question.

Mr. WAINWRIGHT. How can we vote for this bill when we believe it creates a deficit?

Mr. BLANTON. That deficit has been created in the minds of a few parties in the hope it will form an excuse for a veto, but you can not fool the people on that. Take, for instance, the Frear amendment that we passed yesterday providing for an estate tax. The gentleman from New York knows what that tax, and also what this ancillary gift tax, will do, and Mr. Frear knows what it will do and Mr. Garner of Texas knows what it will do and every man on this floor who has studied the question knows what the estate tax and this gift tax will do. They substantially increase revenue. Mr. Garner of Texas says that the Frear amendment passed yesterday and this amendment and his cigarette amendment, which he is going to offer, will bring from \$110,000,000 to \$130,000,000 more into the Treasury when they are passed. Those of you who talk about deficits, may I say to the distinguished gentleman, if you are afraid of deficits, why do you not vote for these amendments which will surely put \$110,000,000 more into the Treasury per annum?

Mr. WAINWRIGHT. Mr. Chairman, will the gentleman give way for another question?

Mr. BLANTON. Certainly; I yield for a question always.

Mr. WAINWRIGHT. I understand the estimated deficit is about \$320,000,000, and the gentleman has only accounted for \$120,000,000 of the \$320,000,000.

Mr. BLANTON. Yes, that is the administration rumor, but the distinguished gentleman was not here last year when Secretary of the Treasury Mellon told us that we had a deficit of \$600,000,000 in the Treasury and told us we could not make adjusted compensation expenditures, and then a little later on he came back and told us he had made a mistake, and that there is a \$300,000,000 surplus, which makes a difference of nearly \$1,000,000,000, I will say to the distinguished gentleman. So, being a billion dollars out of balance, we can not rely upon such reports coming from Secretary Mellon.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. CELLER. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The Chair would state that certain gentlemen have advised the Chair that there are other amendments to the amendment which are desired to be presented, and for that reason the Chair thinks he should put the Mills amendment at this time and have it disposed of.

Mr. BLANTON. I ask leave to withdraw my substitute.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from New York [Mr. Mills].

Mr. LONGWORTH. Mr. Chairman, I understood the gentleman from New York to say that the amendment was a pro forma amendment.

The CHAIRMAN. It was; but the gentleman did not withdraw it. Without objection, the amendment will be withdrawn. There was no objection.

Mr. BLANTON. Mr. Chairman, I ask unanimous consent to withdraw my substitute.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to withdraw his substitute. Is there objection? [After a pause.] The Chair hears none.

Mr. TAGUE. Mr. Chairman—

The CHAIRMAN. The gentleman from Massachusetts is recognized.

Mr. TAGUE. During the heat of this debate the question that confronts me as a Member of this House is whether or not I have surrendered all my rights as a Member and have given up the privilege of offering an amendment or speaking for or against any measure that comes before this body simply because it may offend the taste of some individual. I happen to be a member of the committee that has reported this bill; but, Mr. Chairman, though I may be a member of this committee, I do not believe I have the right to usurp the rights of the membership of this House in presenting amendments or in presenting my views or allowing them to present their views to this House on so important a measure as this tax bill.

What are the facts? Much criticism is made here of Members on both sides of the aisle. I have respect and honor for every Member and every colleague of mine on the Committee on Ways and Means, no matter to which side of the aisle he may belong. I do not want to impugn the motive of any Member in the position he takes in this House, but I do not intend to sit here as a Member of this House and have the Members on this side of the aisle who are members of the committee told that they must assume a responsibility that has been denied them from the beginning. As one member of the committee, I want to say that so far as important provisions of this bill are concerned, we knew nothing about them until they were presented. The majority, to be sure, assumed that responsibility, but soon the responsibility had to come upon the shoulders of men who were competent to judge this situation.

There are able Members on that side of the committee but, gentlemen, no more so than the distinguished minority leader, the gentleman from Texas, on this side of the aisle, for upon this side of the aisle are Members who have served on this committee many years. It may not be out of place when I say the gentleman from Texas [Mr. Garner], the gentleman from Arkansas [Mr. Oldfield], the gentleman from Missouri [Mr. Dickinson], the gentleman from Georgia [Mr. Culp], the gentleman from Mississippi [Mr. Collier], the gentleman from Tennessee [Mr. Hull], and the gentleman from Illinois [Mr. Rainey] have all served on this committee and have drafted legislation for tax revenue and tariff longer, probably, than the majority of Members on the other side. If the younger Members of the House at least are not going to follow those who should understand the bill, then, Mr. Chairman, why should we follow those who, like myself, have had but one or two years in the drafting of important legislation.

I do not think it is within the keeping of any Member of this House to stand up here and say that because his views are not taken on the bill that it is unfit for the country, but with sober mind use our own judgment; and on the floor we ought to be at least able to judge of an amendment as it comes and vote upon it according to our own conscience.

I do not believe, Mr. Chairman, that this should be a partisan measure and I regret that an attempt is being made to make it a partisan measure. That was made possible before it came to the House. I want to say again and to repeat it, that I believe the time is going to come in this House when Members put upon an important committee as this is, whether Democrats or Republicans, will at least be permitted to know what is going on in the committee. [Applause.]

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

Mr. DAVEY. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Amendment by Mr. DAVEY to the Green amendment: On page 2 of the amendment, line 3, section 320, strike out "during the calendar year" and insert "prior to the death of said resident."

Mr. DAVEY. Mr. Chairman, it seems to me as the Green amendment now stands it has a decided weakness or loophole, provided it is intended to accomplish what was said of it. As I understood it, the Green amendment was intended to duplicate the rates of the Ramseyer amendment. It does and it does not. According to the Green amendment this tax is based upon the gifts made within a calendar year. So it seems to me it might

be possible for a man to make a gift of \$100,000 or \$1,000,000 per year for 10 or 20 years and escape the bulk of taxation by paying the lower rates on partial gifts each year.

The purpose of the amendment I have offered, in absolute good faith, is to take the total gifts prior to death and put those total gifts on exactly the same basis as that provided in the Ramseyer amendment. So I have offered the amendment to strike out the words "during the calendar year" and substitute "prior to the death of the said resident." The effect of this would be to make the sum total of the gifts made prior to death subject to the same rates as in the Ramseyer amendment.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. DAVEY. Yes.

Mr. GREEN of Iowa. We consulted the experts on that matter and they said it was entirely impracticable because it would make a difference in the rates every year unless they waited until the time of the death of the decedent, and that would not be practicable.

Mr. DAVEY. I would like to remind the gentleman of the modern definition of an expert, and that is an ordinary man 150 miles from home. The testimony of experts does not change the meaning of the English language or common sense.

Mr. GREEN of Iowa. I was not talking about expert witnesses, but expert draftsmen.

Mr. DAVEY. If you wish to put the tax on gifts on the same basis as the inheritance tax, you must base the tax on the sum total of the gifts and not allow the man to evade the higher tax on inheritances by making smaller gifts every year over a period of years. It seems to me that logic and common sense require that this amendment should be passed if you propose to tax gifts on the same basis that you tax inheritances.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. DAVEY. Yes.

Mr. BLACK of Texas. Under the amendment the gentleman has offered the tax would not be collected each calendar year, but would be postponed until the year of the death of the donor.

Mr. DAVEY. Possibly; but I think that could be provided against.

Mr. BLACK of Texas. Does the gentleman think that ought to be done?

Mr. DAVEY. It is possible that another amendment might be required to perfect it.

Mr. ACKERMAN. Will the gentleman yield?

Mr. DAVEY. I will.

Mr. ACKERMAN. A man making gifts would have to keep an account of each gift that he made, not knowing when he was going to die?

Mr. DAVEY. That is obvious.

Mr. O'CONNELL of Rhode Island. Would there not be a possibility that the entire estate might be dissipated so that there would be nothing to pay any tax with?

Mr. DAVEY. I believe it is easily possible to amend the Green amendment so that the gift tax can be collected each year and at the end of each tax year to compute the tax on the total of the gifts up to that time, assessing the proper tax on the total up to that time and deducting the yearly taxes already paid. This would provide an increasing tax each year as the sum total of the gifts increased, and in the end the gift tax would be exactly the same as that provided on inheritances in the Ramseyer amendment.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment to the amendment offered by the gentleman from Ohio [Mr. DAVEY].

The question was taken, and the amendment to the amendment was rejected.

Mr. CELLER. Mr. Chairman, I move to strike out the last word.

Mr. GREEN of Iowa. Mr. Chairman, all time has expired, and the gentleman can not debate his amendment.

The CHAIRMAN. All time has expired. The time was fixed by the committee. The question is on the amendment offered by the gentleman from Iowa [Mr. GREEN].

Mr. CHINDBLOM. Mr. Chairman, tellers.

Mr. LONGWORTH. Mr. Chairman, a division.

Tellers were ordered, and the Chair appointed Mr. GREEN of Iowa and Mr. BACHARACH to act as tellers.

The committee divided; and the tellers reported—ayes 191, noes 65.

So the amendment was agreed to.

Mr. McKEOWN. Mr. Chairman, I offer the following amendment to follow the amendment just adopted which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: On page 150, following the amendment just adopted, insert a new title as follows:

"TAX ON EXCESS DWELLING HOUSE RENT."

"That on and after July 1, 1924, there shall be levied, collected, and paid annually the following special tax:

"1. Where the rent of a dwelling house is increased above the standard rent, as hereinafter defined, 50 per cent of the amount by which the rent payable exceeds the amount which would have been payable under the standard rent: *Provided*, That where the landlord has since April 7, 1917, and during the continuance of this title of this act incurs expenditures on the improvement or structural alteration of a dwelling house, not including decoration or repair, an increase of rent not exceeding 15 per cent per annum on the amount so expended shall not be deemed an increase for the purpose of this title.

"2. Whenever a standard rent, as herein defined, computed for a period of one year is not in excess of 10 per cent net of the capital value of the dwelling this title does not apply and the only return the landlord shall be required to render is an affidavit to the effect that the rent received during the taxable year does not exceed the standard rent defined herein.

"3. Where any person lets a dwelling house or any part thereof at a rent which includes payment in respect of the use of furniture, and the rent so charged is yielding or will yield the lessor a profit of 25 per cent per annum in excess of the standard rent of the dwelling or part of the dwelling house unfurnished, the excess rent shall be taxed 50 per cent.

"4. Where any person sublets more than one dwelling house or part of a dwelling house in excess of a standard rent, the excess rent shall be taxed 75 per cent.

"5. Any transfer to a tenant of any burden or liability borne by the landlord shall for the purposes of this title be treated as an increase where such transfer makes the tenancy on the whole less favorable to the tenant whether or not the sum payable by way of rent has increased; and the transfer to any landlord of any burden previously borne by a tenant where as a result thereof the tenancy as a whole is not less favorable to the tenant than the previous term, shall not be deemed an increase under this title, although the amount payable as rent be increased.

"6. For the purpose of this title the expression 'dwelling house' includes an apartment house, tenement house, or a one-family house; and the term 'standard rent' means the rent at which the dwelling house or part thereof was let on the 7th day of April, 1917, or where the dwelling house was not let on that date, the rent at which it was last let before that date; and in case of a dwelling house which was first let after April 7, 1917, it is the amount of rent computed for the period of one year which does not exceed 15 per cent of the capital value of the dwelling house, and the term 'capital value' means the fair market price or value of the property as of April 7, 1917; in case of property acquired on or before that date and in case of property acquired since that date the cost thereof; and in case of property acquired since April 7, 1917, by gift, bequest, devise, or inheritance the fair market price or value on the date so acquired; and the term 'net rent' means the amount of rent remaining after deducting the actual expenses of repairs, interest, taxes, fire insurance, fuel, light, labor, and other necessary expenses of like character.

"7. This title shall not apply to a dwelling house or part of a dwelling house let at a rent which includes payment in respect of board."

Mr. SANDERS of Indiana. Mr. Chairman, I reserve the point of order.

Mr. GREEN of Iowa. Mr. Chairman, I make the point of order that this is not a tax, but it is in effect a law intended to regulate the rentals of dwelling houses.

Mr. McKEOWN. Mr. Chairman, this is not subject to the point of order for the reason that this amendment is as much in order as the tax on excess profits. It is a new method of taxation and simply offers a new method by which to raise revenue. It does not undertake anywhere to regulate by inspection or otherwise the dwelling houses of the country. It is a tax on excess rentals. It is as much in order as the inheritance tax or the tax on gifts, or the tax on excess profits. I have drawn this amendment with the Supreme Court opinion in view, so as not to trespass upon the Constitution. The House has followed this question, and it has been decided two or three different times throughout this debate. The amendment simply offers a new title and a new system of taxation of excess rentals demanded on dwelling houses, just as excess profits are subject to tax in other directions. It is not a prohibitive tax; it is a tax that will have the effect of raising revenue. One billion and forty-seven million dollars was collected in rents in the United States in the course of a year. This will affect only the excess rentals.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield? Mr. McKEOWN. Yes.

Mr. CHINDBLOM. Who is to determine what is an excess rental?

Mr. McKEOWN. That is to be determined by this rule, as set out in the statute, and by the commissioner just the same as he determines excess profits and the tax on profits from the sales of real estate.

Mr. CHINDBLOM. The commissioner of internal revenue would examine and review the returns to ascertain whether an excess rent had been charged.

Mr. McKEOWN. That is above 10 per cent; yes.

Mr. CHINDBLOM. What about a building that was not constructed before April 1917?

Mr. McKEOWN. The standard rate of rent is 15 per cent on the cost of construction or the price of property, the actual purchase price or the value of the property at the time it was purchased.

Mr. CHINDBLOM. And, of course, that is subject to review and examination by the Commissioner of Internal Revenue?

Mr. McKEOWN. Yes.

Mr. SANDERS of Indiana. Mr. Chairman, the gentleman from Oklahoma says that he has examined some Supreme Court decision which he thinks holds that this would be constitutional. That might be. Of course, the Chair does not primarily pass upon constitutional questions. This amendment is purely an amendment which seeks to regulate rents. The gentleman from Oklahoma would not deny that.

Mr. McKEOWN. Yes; I will.

Mr. SANDERS of Indiana. The purpose of this amendment is not to raise revenue, it is not to raise a tax, but it is for the purpose of regulating rents.

Mr. McKEOWN. Where in the amendment is anything said about regulating rents?

Mr. SANDERS of Indiana. The amendment singles out the sole proposition of rents and then undertakes to deal with excessive rents, and it comes within the ruling of the Chair which was sustained by the committee that an amendment can not be offered in a tax bill which has some ulterior purpose in view which has for its purpose the regulation of some matter and merely adds on the question of the tax. If the gentleman can do this, he can go out and regulate the price of coal, the price of shoes, the price of anything else in the whole category and merely say that if it exceeds a certain profit then it shall be subject to taxation. It opens up this tax bill to all of the wide, wild field of regulation of prices.

Mr. McKEOWN. Mr. Chairman, there is not a single thing in this amendment anywhere that attempts to regulate the proposition of rents. This is a flat-footed tax proposition. It taxes nothing but excess rents above a standard rent fixed in this amendment, and if excess profits are subject to taxation in tax measures, why are not excess rents above a standard rate of rent subject to taxation? Under the rule heretofore announced by the House in the consideration of this bill, it is absolutely in order. It is just as much in order as the amendment just adopted a few minutes ago. It does not undertake anywhere to regulate rents. It is a new taxation method. It offers another source of revenue. For the information of the Chair I will say that there was collected in accordance with the report of 1920, \$1,047,000,000 as rents in a year. This bill provides a 50 per cent tax. The highest rate is 75 per cent where they sublet more than one residence for themselves. It simply lays a tax on all over 10 per cent net. The gentleman from New York [Mr. MILLS] did not even contend that this other measure was out of order, and it is not out of order under the ruling of the Chair. This meets the argument presented here by the distinguished gentleman from Georgia [Mr. CHASE] and by all of the parliamentarians. It offers a new system of taxation. There is nothing in the bill anywhere that seeks to regulate by inspection or anything of that kind. It is simply a taxing measure, offering to the House a new method by which to raise revenue to supply the deficiencies that may occur by reason of the reduction of other rates or the elimination of other rates. That is all its purpose. It has no other purpose than that. And that being the purpose, it evidently is in order under a former ruling of the Chair. I submit to the Chair that it is in order.

The CHAIRMAN. The gentleman from Oklahoma [Mr. McKEOWN] offers an amendment which is to substitute a new title, and has in it several sections. The ruling of the committee, twice expressed, one on the matter of undistributed profits and the other on an excess-profits tax, was, as the Chair understands it, that any matter of internal-revenue tax would be admissible as an amendment to this bill, whether offered

as an amendment to some section or as a new section or title. The ruling went no further than that, as the Chair understood it.

The Chair has had this matter under advisement for a little while, because of the fact that the amendment was printed in the Record, and there are some rulings which the Chair has found in which the principle is adhered to that the effect of the amendment must govern its germaneness, and not the purpose for which the amendment is offered. But that does not mean that everything that is offered as an amendment to this bill would be in order because it contains a tax. The Chair thinks that the common-sense and practical view of the matter would justify him in coming to the same conclusion that the Chair has arrived at from the offering previously of an amendment of this kind, to take into account what the apparent purpose of the amendment is; and in this case the Chair believes that he has the right to determine this matter from a consideration of this question, namely, whether this amendment imposes a new tax, whether that is its manifest purpose, or whether its manifest purpose is to do something else and it is attempted to incorporate through a provision in this revenue bill something alien to the subject matter.

This amendment in its first paragraph provides for the rent of a dwelling house, when, if it is above the standard rent as defined in the paragraph, 50 per cent of that increase over the standard rent should be taxed. Then the amendment provides that if the landlord increases the rent not exceeding 15 per cent on account of repairs, the amount so expended on repairs shall not be deemed an increase for the purpose of this title.

In the second paragraph the amendment provides that where the standard rent is not in excess of 10 per cent net of the capital value of the dwelling the amendment shall not apply, and the only return the landlord shall be required to render is an affidavit to the effect that the rent received during the taxable year does not exceed the standard rent as defined in the amendment.

In the third section the provision is that when a person lets a dwelling house or any part thereof at a rent which includes payment in respect of the use of furniture which will yield the lesser a profit of 25 per cent per annum in excess of the standard rent of the dwelling unfurnished, the excess rent shall be taxed 50 per cent.

Then the next section provides that if the landlord rents more than one dwelling house or part of a dwelling house in excess of a standard rent, the excess rent shall be taxed 75 per cent.

It is unnecessary for the Chair to go into a long dissertation on what this amendment does. The Chair has come to the conclusion, after looking it over and examining its contents, that it is a manifest attempt to regulate rents and that it comes within the purview of the ruling of the Chair on the amendment offered by the gentleman from Virginia [Mr. MOORE] on his corrupt practices amendment, and the Chair sustains the point of order.

Mr. McKEOWN. Mr. Chairman, I respectfully appeal from the decision of the Chair.

The CHAIRMAN. The gentleman from Oklahoma appeals from the decision of the Chair. The question is, Shall the decision of the Chair stand as the judgment of the committee? Those in favor of sustaining the decision of the Chair will rise and stand until they are counted.

The committee divided; and there were—ayes 142, noes 11.

The CHAIRMAN. So the decision of the Chair stands as the judgment of the committee. The Clerk will read.

The Clerk read as follows:

TITLE IV.—TAX ON CIGARS, TOBACCO, AND MANUFACTURES THEREOF.

SEC. 400. (a) Upon cigars and cigarettes manufactured in or imported into the United States and hereafter sold by the manufacturer or importer, or removed for consumption or sale, there shall be levied, collected, and paid under the provisions of existing law, in lieu of the internal-revenue taxes now imposed thereon by section 700 of the revenue act of 1921, the following taxes, to be paid by the manufacturer or importer thereof:

On cigars of all descriptions made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, \$1.50 per thousand;

On cigars made of tobacco, or any substitute therefor, and weighing more than 3 pounds per thousand, if manufactured or imported to retail at not more than 5 cents each, \$4 per thousand;

If manufactured or imported to retail at more than 5 cents each and not more than 8 cents each, \$6 per thousand;

If manufactured or imported to retail at more than 8 cents each and not more than 15 cents each, \$9 per thousand;

If manufactured or imported to retail at more than 15 cents each and not more than 20 cents each, \$12 per thousand;

If manufactured or imported to retail at more than 20 cents each, \$15 per thousand;

On cigarettes made of tobacco, or any substitute therefor, and weighing not more than 3 pounds per thousand, \$3 per thousand;

Weighting more than 3 pounds per thousand, \$7.20 per thousand.

Mr. GARNER of Texas. Mr. Chairman, I offer an amendment: On page 152, line 8, strike out the figure "3" and insert the figure "4."

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GARNER: On page 152, line 8, strike out the figure "3" and insert the figure "4."

Mr. GARNER of Texas. Mr. Chairman and gentlemen of the committee, I offer this amendment for the sole purpose of getting additional revenue in the Treasury and at the same time not injuring the business on which the tax is levied. If you gentlemen will look at the receipts for the last six months, from July 1, 1923, to January 1, 1924, you will see that in this bracket there is an increase in the revenue of nearly \$11,000,000 and a gross increase in consumption of cigarettes of something over 8,000,000,000.

This is undoubtedly a peace-time tax. I remember, as many gentlemen here remember, that prior to the war and prior to the constitutional amendment and the Volstead Act, when we wanted money we simply increased the tobacco and liquor taxes and got additional money. That is the only way we had to adjust our accounts and keep the budget balanced, either by increasing the liquor or the tobacco tax and the custom-house taxes. Those were about all the taxes we levied prior to the income-tax amendment; so that this is admittedly a proper tax and has been, I presume, for some 40 or 50 years. I do not know how long it has been since we began taxing tobacco.

Now, levy this additional \$1 per thousand on cigarettes and you get, in my opinion, \$60,000,000 additional revenue. I was told by the gentleman from New York [Mr. MILLS] a while ago that I would be mistaken as to the estimate of the additional revenue. I can not believe I am mistaken. I have great respect for Mr. McCoy's estimates, and you have not heard me attacking them, except where in obedience to the Secretary he has made out estimates at different times and for the future.

Now, the Secretary of the Treasury recommended this tax. In 1921 he recommended it as one of the taxes which Congress should pass in order to lower the surtaxes. He recommended the lowering of the surtax from 65 to 25 per cent, 32 per cent the first year and 25 per cent in the following years; and in order to make up for that loss this was one of the taxes he recommended. In that recommendation he estimated that the increase in revenue would be \$36,000,000 and over the first year and \$57,000,000 thereafter.

Since that time the increase in the consumption of cigarettes has been tremendous; and since you are getting more than \$200,000,000 a year out of this one bracket at the present time, I think it is safe to say that if you add one more dollar you can get \$60,000,000 additional without cutting down the consumption of cigarettes, because the consumption of cigarettes has increased in one year to the extent of 8,000,000,000, and the revenue in the last six months has been something over \$100,000,000.

I merely submit this increase of \$1 for the purpose of getting additional revenue upon an article which we all admit is a legitimate article of taxation and that we can tax it all the traffic will bear. I believe that is the rule, that when you admit a thing is subject to taxation you can levy just such taxes as will get the largest amount of revenue into the Treasury, and I know that by increasing the amount from \$3 to \$4 you will get more revenue into the Treasury. I do not think it will have any effect on the manufacture of cigarettes.

I remember at one time there was in this section a cigarette tax of \$4.50, but my friend from North Carolina—bless his memory—

Mr. HUDSPETH. Four dollars and fifty cents per thousand?

Mr. GARNER of Texas. Yes; my friend from North Carolina talked me down to \$4, and when we got over to the Senate they talked me down to \$3, and there you are. But still that bracket alone renders at the present time more than \$200,000,000, with an increased consumption of 8,000,000,000 cigarettes in one year. I think that statement alone is sufficient to show that you can levy that additional dollar tax without injuring the business in any material way. It means a 1-cent additional tax on each package of 10 cigarettes.

I hope the committee will find it advisable to adopt the amendment I have offered.

Mr. MORTON D. HULL. What is the tax now?

Mr. GARNER of Texas. Three dollars a thousand. I submit the amendment to the consideration of the committee.

Mr. SANDERS of Indiana. What is the highest tax that has ever been levied?

Mr. GARNER of Texas. The highest tax that has ever been levied is \$4.50. That was the amount carried in this section, as I tell you; then it was reduced to \$4 and then the Senate reduced it to \$3.

Mr. HUDSPETH. And the gentleman's amendment calls for \$1 more than the amount now carried in this bill?

Mr. GARNER of Texas. Yes.

Mr. HAWLEY. Mr. Chairman and gentlemen of the committee, I rise to oppose the proposal on the ground that it will not increase the revenues of the Government, but that any additional tax will be reflected back upon the grower of the tobacco out of which cigarettes are made.

Let us agree on the facts first. The income from cigarettes weighing not over 3 pounds to the thousand—and those weighing more than that are an insignificant factor—was \$182,000,000 for the fiscal year ending June 30, 1923. The consumption of cigarettes under the \$3 tax has very largely increased. In 1917 the consumption was 35,000,000,000 cigarettes; in 1918, 46,000,000,000; and in 1919, 53,000,000,000. Then the present rate of tax took effect and reduced the consumption to 44,000,000,000 in 1920, or 9,000,000,000 less than in 1919; in 1921, the consumption increased about 1,000,000,000; in 1922 it increased 5,000,000,000, and in 1923 it has increased about 10,000,000,000, so that the consumption in 1923 was about 60,000,000,000 cigarettes.

Now, I submit to you that this tax is doing well; it has increased the production and the consumption; it has afforded the growers a fairly good return for their crops and it is making a great deal of money for the Government.

It does not follow that if you increase the tax rate one-third you will increase receipts one-third. The present rate is \$3 per thousand for cigarettes not weighing more than 3 pounds to the thousand; that represents three-tenths of a cent on each cigarette or 6 cents on each package costing 15 cents for 20 cigarettes—that is, for a package of cigarettes costing 15 cents, such as Camel, Piedmont, and 90 per cent of all of them that are sold. When these cigarettes have paid a tax of 6 cents per package of 20 that leaves only 9 cents for the grower, the cost of manufacture, and the profit to manufacturer, wholesaler, and retailer.

If the tax is raised to \$4 per thousand the tax on each cigarette is increased to four-tenths of a cent, or 8 cents for a package of 20, costing 15 cents—that is, there will be an 8-cent tax, and 7 cents will be left to be distributed to the grower, to the manufacturer, to the wholesaler, and to the retailer—7 cents out of the 15 cents.

I submit that at that point the judgment of Mr. McCoy and Mr. Adams—that the tax has reached its maximum earning—is correct. Mr. McCoy said that the 3-cent tax would earn the Government a constantly increasing revenue, which is proving to be an accurate forecast.

Mr. QUIN. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. QUIN. Does the gentleman figure they would stop smoking cigarettes?

Mr. HAWLEY. I will come to that in due time. If at the 3-cent rate there is another increase of 10,000,000,000 for the next year, as there was for the past, there will be \$30,000,000 additional revenue received, but if we raise the rate to \$4 a thousand we jeopardize the continued growth of the industry and the continued increase in the use of cigarettes, with the probability, according to the actuary's estimates, that the consumption will be so reduced that the \$4 tax will produce practically the same amount as a \$3 tax.

Now, there are four possibilities in this proposed increase of the revenues. First, that it will reduce consumption and thus reduce the revenues, and I have already spoken of that. Second, the dealer will absorb the tax, but if he has only 7 cents left out of every 15 cents I think all will agree that he can not absorb the tax. It must be passed one way or the other. Now, the dealer might pass the tax on to the consumer and increase the price of each package of cigarettes. The usual rule is that with increased cost decreased consumption follows when the tax approaches the saturation point. If this were the only way in which tobacco could be used—

The CHAIRMAN (Mr. SANDERS of Indiana). The time of the gentleman has expired.

Mr. HAWLEY. Mr. Chairman, I ask for five minutes more. The CHAIRMAN. The gentleman from Oregon asks unanimous consent to proceed for five additional minutes. Is there objection?

There was no objection.

Mr. HAWLEY. If this were the only way in which tobacco could be smoked the additional tax might be passed on to the consumer, but a man can smoke a cigar or a pipe or he can roll his own.

If we lose on the cigarette tax by reducing the consumption and people smoke pipes or cigars, we get less revenue, because the cigarette item is the great revenue producer in the tobacco list; and if a person wishes to continue to smoke cigarettes under the increased tax, we will also lose in taxes to the extent that they "roll their own." They have done that from time immemorial and will continue to do so, and if the amount charged them for a package of made cigarettes seems to be unreasonable, they will go back to the practice of using a bag of tobacco and papers.

But there is another possibility that I think is more serious, and that is it will reduce the price paid to the growers. At present the growers of the bright tobacco, which is made into cigarettes, receive about 23 cents a pound. That is about the price received for their crop last year. There were various grades; some sold for a higher rate and some for a lower rate; but the Virginia, North Carolina, and Kentucky bright tobaccos which go into the making of cigarettes, sometimes blended with Turkish or other tobaccos, were bought from the growers at about 23 cents. The grower is in the weakest position of all the persons involved in the transaction. The dealer can pass the tax on to the consumer, on the one hand, and if the consumer will not stand it and begins smoking a pipe or a cigar or makes his own cigarettes, then the manufacturer of the cigarette will endeavor to pass the tax back to the man who grows the tobacco; and that is the most likely contingency of the four, because the man who grows the tobacco is in the weakest position.

Mr. GARNER of Texas. Will the gentleman yield for a question?

Mr. HAWLEY. Yes.

Mr. GARNER of Texas. The gentleman will recall, because the gentleman was probably a member of the committee at that time, that in 1918, in making up this tax, I submitted certain figures to the Treasury Department upon the basis of raising \$500,000,000 from receipts from the tobacco clause, and they gave me an estimate of \$522,000,000 and the largest item was \$4.50 in this bracket. The Treasury Department at that time did not oppose this rate and thought they would get more money at \$4.50 than \$4.

Mr. HAWLEY. The committee disagreed and in 1918 put in the present rate and in 1921 continued the present rate, and the present rates are earning a large and growing amount of revenue. It is a continually growing business and produces a continually increasing amount of revenue, and why disturb a tax that has proven successful from the standpoint of revenue, with the possibility of greatly injuring the planters who grow the tobacco and whose circumstances are not good at present?

Mr. HUDSPETH. Will my friend yield? You stated that this would increase the cost and thereby would decrease the consumption. Has my friend figured out, if the dealer passes this on to the consumer, what amount this would increase the price of a package of Camel cigarettes, for instance?

Mr. HAWLEY. Two cents for each package of 20 cigarettes costing 15 cents, so that he would pay 8 cents tax, on a 15-cent package. And as the sale of cigarettes is now made on a bare margin of profit the tax will, if passed on to the consumer, increase the cost to him by the amount of the tax at least.

Mr. GARNER of Texas. One cent additional on each package of 10 cigarettes.

Mr. HAWLEY. They do not sell them in tens, as I understand it. They sell them in twenties.

Mr. GARNER of Texas. Some are sold in tens.

Mr. BURTNESS. As I understand the gentleman, the tax now being \$3 a thousand—

Mr. HAWLEY. Three dollars per 1,000 for cigarettes not weighing over 3 pounds to the 1,000.

Mr. BURTNESS. Yes; that would be 6 cents on packages that sell for about 15 cents, or really a sales tax of 40 per cent; is not that correct?

Mr. HAWLEY. Yes; at the present rates, but 8 cents under the proposed amendment, or 53 per cent. Now, just one other point. It may be said that we can get some revenue

from imported cigarettes. I have not here the statistics of imports, but let me quote you the facts.

The CHAIRMAN (Mr. DOWELL). The time of the gentleman has expired.

Mr. HAWLEY. Mr. Chairman, may I have one minute more?

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to proceed for one additional minute. Is there objection. [After a pause.] The Chair hears none.

Mr. HAWLEY. The tariff on cigarettes is \$4.50 a pound plus 25 per cent, which makes 1.69 cents for each cigarette. Add to that 0.4 of a cent for the tax collected here, and that will make a package of 10 cigarettes selling for 25 cents bear a tax of 21 cents, so you can readily see that there will be no sales.

Mr. GARNER of Texas. They are imported cigarettes.

Mr. HAWLEY. I am speaking of the fact that we would not get any income at all from the imported cigarettes. This would entirely cut that out.

Now, from the standpoint of the revenue, I believe we are getting more money now than we would under an increased rate, and from the standpoint of the grower we are giving him an opportunity to sell his tobacco at a moderately fair price, but if we put on this tax, the grower, being in the weakest position, will probably bear the increase, in large part at least, that arises out of the imposition of an increased tax.

Mr. ABERNETHY. Mr. Chairman and gentlemen of the committee, I dislike very much to take issue with my distinguished friend from Texas, and I would not do so but for the fact that this proposed tax which he has sprung here in the Committee of the Whole, without any consideration being given it by the Ways and Means Committee, creates a very unjust burden upon the State that I in part represent.

I want to call the attention of this House to the fact that North Carolina pays more revenue tax on tobacco than any other State in the Union. I want to call your attention to this further situation: The entire amount of cigarettes manufactured, weighing not more than 3 pounds per thousand, were 55,763,022,618. North Carolina alone made cigarettes to the amount of 26,619,287,857.

Now, I want to ask this House, in all fairness, is it right to raise \$60,000,000, one-half of which will come out of one State alone, and that State paying more revenue on cigarettes than any other State in the Union?

As I understand it, we came here for the purpose of reducing taxes. I have gone just as far as I could with my friend from Texas [Mr. GARNER]. Some of you gentlemen may vote for this proposition on the theory it will help us raise a soldiers' bonus, but I want to call your attention to the fact that you are making the boys who smoke the cigarettes pay for their own bonus. The man who smokes cigarettes made in my State, like the Piedmont, and cigarettes of that character, are the fellows least able to pay the tax.

Mr. McKEOWN. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. McKEOWN. The gentleman's conclusion is that the boys who smoke will pay the tax?

Mr. ABERNETHY. Yes; in fact, what they do not pay will be taken off the price of tobacco paid to the farmer.

I represent people who not only raise tobacco but who smoke cigarettes.

Mr. GASQUE. Is not the tax passed on down to the farmer and also down to the consumer, so they get it both ways?

Mr. ABERNETHY. Yes; it does not help the men who make the cigarettes, nor does it help the farmer, nor does it help the consumer; it is like the nigger's fish trap—open at both ends, and catches them coming and going. [Laughter.] The manufacturer in a large measure passes it on to the consumer—what he does not take off the farmer in the reduced price paid for his tobacco.

Mr. WINGO. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. WINGO. Regardless of who is correct in this discussion, it seems that the tariff is not the only thing that is a local issue.

Mr. ABERNETHY. I am putting it up to this House. I do not have any hope of bucking against the situation here. I do not have any hope of defeating the amendment, because the motion of the gentleman from Texas [Mr. GARNER] will be acceded to by the House in all matters of taxation at this particular time, with the present temper of the House. I have been following the gentleman from Texas, but here is the parting of the ways. [Laughter.] I want to be absolutely frank about it.

Mr. DENISON. Will the gentleman yield? I think the gentleman is absolutely correct, and I am going to vote with him.

Mr. ABERNETHY. I hope so, and I hope I can get enough on this side to break the combination in this instance. That is the reason I am speaking. Now, I appeal to you gentlemen in all seriousness. Why should you take any State out of the 48 that is paying more tax on tobacco than any other State in the Union? Why do you want to put \$30,000,000 additional tax on that one State in a bill that proposes to reduce taxation instead of increasing it? [Applause.]

The CHAIRMAN. The time of the gentleman from North Carolina has expired.

Mr. ABERNETHY. Mr. Chairman, I ask for five minutes more.

Mr. HAWLEY. Mr. Chairman, I ask that all debate on this amendment and amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. FREAR. I object.

The CHAIRMAN. The question now is on the motion of the gentleman from Oregon.

Mr. SEARS of Florida. I thought the Chair said there was no objection to the request of the gentleman from North Carolina.

The CHAIRMAN. The gentleman from Wisconsin was on his feet.

Mr. SEARS of Florida. Then I object to the request of the gentleman from Oregon.

Mr. HAWLEY. Mr. Chairman, I move that all debate on the amendment and all amendments thereto close in 20 minutes.

Mr. FREAR. And I move to amend by making it 30 minutes.

The CHAIRMAN. Let the Chair ask the gentleman from Oregon if he makes his motion on the paragraph and all amendments thereto?

Mr. HAWLEY. Yes.

The CHAIRMAN. The gentleman from Wisconsin moves to amend by making it 30 minutes instead of 20, and the question is on the amendment to the motion.

The question was taken; and on a division (demanded by Mr. FREAR) there were 96 ayes and 80 noes.

So the amendment to the motion was agreed to.

The CHAIRMAN. The question now is on the motion as amended.

The question was taken, and the motion was agreed to.

Mr. ABERNETHY. Now, Mr. Chairman, I ask unanimous consent that I may proceed for five minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. LaGUARDIA. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. LaGUARDIA. The gentleman said that his State out of 48 was singled out for this tax. Has not the gentleman been soaking my State the last four or five days? [Laughter.]

Mr. ABERNETHY. What has been done was with your consent.

Mr. McKEOWN. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. McKEOWN. This tax will be paid mostly by the survivors of the World War that we taught to smoke cigarettes, will it not?

Mr. ABERNETHY. Absolutely. Now, I hope the House will give me attention, for this is a serious matter. I realize the situation I am up against by bucking the leader on our side, but this is the situation that confronts me. Here you are picking out cigarettes for taxation, going to raise the tax on them. If you are going to raise the tax on cigarettes why not raise it on all tobacco, cigars, and smoking tobacco, why do you put it on one form of tobacco like cigarettes that the poor boys are smoking. You say you are going to use the money for the bonus for the soldier boys, but I am opposed to the soldier boys paying for their own bonus by your increasing the tax on cigarettes. That is the situation. [Applause.] I hope that the amendment will be voted down. [Applause.]

Mr. BLANTON. Will the gentleman yield?

Mr. ABERNETHY. Yes.

Mr. BLANTON. What about the boys 14, 15, 16 years old?

Mr. ABERNETHY. There is a law against that.

Mr. BLANTON. Yes; but they all get them just the same if they happen to have a nickel or a dime.

Mr. ABERNETHY. This will not affect them.

Mr. FREAR. Mr. Chairman, I moved to have the time extended because we are informed by the gentleman from Texas who has offered the amendment that this amendment will raise fifty or sixty million dollars. I do not know whether he is right, nor does any one of us, nor will we know until

the returns are all in. If it will do that, it will do much to do away with what is called a threatened deficit by some Members on the Republican side. If that be true, I would like to provide enough funds so that we will not have a deficit. I am trying to save the bill which others are trying to destroy. If the gentleman is right I want to support the amendment. I say this incidentally in passing, that in Russia this last year I bought cigarettes at 50 cents a package of 20, and two-thirds of them had long paper stems, not one-half as good as your North Carolina cigarettes that cost less than half. They bought them all over that country, so that I have no fear at all but what they will pay the extra 2 cents in this country for cigarettes; if not, they can roll their own cigarettes and many of us can do that.

The thing that impresses me most of all is this division among the two political parties on the floor. It is getting to be a very anxious moment with me. The last gentleman who spoke, the gentleman from North Carolina [Mr. ABERNETHY] complains about his insurgency in getting away from his party leaders and coming over on the Republican side, and it is a very unfortunate situation, because I know what insurgency means. During the last two or three days we have seen the spectacle of the distinguished gentleman from Texas [Mr. GARNER] coming over to the Republican side and lining up with the distinguished Republican leader on this side, and also other leaders on the Democratic side have occasionally come over and been mixing up with leaders on the Republican side and have gone through the line of tellers. The only ones thus far who have been criticized are the so-called insurgent Republicans who joined with the Democrats on one vote on income-tax rates. The leaders on the Democratic side have opposed practically all of the amendments that I have offered, as they have a right to do.

Mr. McKEOWN rose.

Mr. FREAR. In just a moment. I want to speak of one thing that is more important than cigarettes. Yesterday the distinguished Republican leader said that he is going to propose an amendment on the income tax rates before we get through the bill. We have had this bill before us for about two weeks. Every man who has an intelligent understanding of taxes knows that the brackets as well as the percentages determine what is in any bill, and yet we have the leader telling us that he has not yet decided what his compromise proposition is going to be, but he is going to bring it in here at some time. I say that is not fair to those of us who want to study any proposition that comes in. I have a right to learn what this compromise measure is going to be which we are going to be called upon to vote on here in two or three days. I am not sure that I am going to vote with the gentleman from Texas [Mr. GARNER]. I am not voting on any partisan bill, a Democratic measure or a Republican measure, but I want to vote for the very best measure that is offered in my judgment. I want to see what this compromise bill is to be, and I do not want the previous question moved later so that we can not discuss it. It is one of the most important provisions in the bill and involves a matter of \$200,000,000 or more.

Mr. CLARKE of New York. I hope the gentleman will bring it in as soon as the gentleman will the question of the tax on cigarettes.

Mr. FREAR. I trust the tax on cigarettes will be brought in this afternoon, and I am supporting the gentleman from Texas for the second time.

Mr. OLIVER of New York. If the distinguished leader of the majority brings in a compromise suddenly, does the gentleman from Wisconsin not think that Mr. MILLS of New York will oppose it?

Mr. FREAR. Oh, I assume gentlemen on the Republican side are still in the majority, although I do not speak for a united vote on any measure or amendment that may be offered.

Mr. MOORE of Virginia. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes, certainly.

Mr. MOORE of Virginia. The gentleman is a member of the Committee on Ways and Means?

Mr. FREAR. Yes; I have that honor.

Mr. MOORE of Virginia. And yet he says that his leader will not tell him what he has in his mind?

Mr. FREAR. I am simply saying that he said to the House yesterday that sometime he is going to propose a compromise measure, and I feel we are entitled to know what that is, because this is a nonpartisan measure, in my judgment.

The CHAIRMAN. The time of the gentleman from Wisconsin has expired.

Mr. FREAR. Mr. Chairman, I ask unanimous consent to proceed for one minute more.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. McKEOWN. Will the gentleman yield?

Mr. FREAR. Yes.

Mr. McKEOWN. I just want to know if it would be in order under the present rules of the House?

Mr. FREAR. I am not sure. The gentleman with seven or eight of his associates on his appeal did not secure many votes, so I shall have to leave it to him, although I think he is a good lawyer and well able to pass judgment.

Mr. Chairman, we are entitled to know and we ought to know what this compromise on income tax rates is to be, so that we can study it, because every man knows that one can juggle taxes, that he can juggle rates and schedules, and we want to see what it is. I am making no assertions but am sincere in asking for particulars as to this proposed compromise plan.

I am asking that a statement given out yesterday may be incorporated in the RECORD as part of my remarks. I do this without criticism of anyone, but the statement herewith speaks for itself.

STATEMENT ASKING FOR VIEW OF THE PROPOSED COMPROMISE PLAN.

Republicans who are more interested in legislation than in partisanship ask to see Mr. Mellon's mysterious revised 37½ per cent compromise for the original Mellon bill which it is announced Mr. LONGWORTH will offer as a substitute. Percentages mean little until relation to amounts contained in tax brackets are revealed. We ask to examine the brackets, percentages, and all parts of the plan to learn just what it means before it is sprung on the House after debate has closed. That is the only fair course to pursue with a great tax bill involving \$200,000,000 in income-tax rates.

The so-called scientific Mellon bill juggled income rates and tax brackets so as to mislead the public. It used a 25 per cent tax rate for the \$100,000 bracket whereas the 25 per cent bracket in existing law taxes incomes of only \$54,000. The Mellon bill gave about 50 per cent reduction to large incomes but only 2 per cent cut on normal tax to the small taxpayer. This comes through juggling of tax brackets.

The Mellon bill can not be resurrected, but we ask to learn if Mr. Mellon's substitute is the Mellon bill under a different title and arrangement of brackets and rates.

Constant press reports of dissatisfaction among so-called insurgents credited to Mr. LONGWORTH we are not disturbed about. We do ask him to put his 37½ per cent Mellon revised tax plan in the RECORD, where it can be seen and studied. We have made no coalition with Democratic Members, and never have had any. The Garner plan is not nearly as good as the one we offered, either "scientifically" or to administer, but it is far more just than the Mellon bill. It favors 3,500,000 taxpayers, where the Mellon bill favors 4,223, who get \$75,500,000 tax reduction, or 50 per cent more than the 3,500,000 will receive. That is not politics but a cold fact in dollars and cents. Politics had no part in our support of the Garner plan.

Twice we have offered compromises to our Republican colleagues that would greatly relieve small taxpayers, and as regularly they have been rejected by Mr. Mellon, who controls the situation, so we are justly suspicious of any tax plan not fully understood in advance.

We offered four amendments in this committee affecting tax-free securities, undistributed profits, publicity of records, and excess profits. All were sound in principle and would have provided more than enough to reduce corporate normal taxes and to finance a soldiers' compensation bill.

These amendments were opposed by Democratic leaders, whether called insurgents or irregulars, who joined with Republican leaders for that purpose, as they had a right to do without criticism. We asked others to offer inheritance and gift tax amendments, which include original proposals offered by me several weeks ago. No pride of authorship occurs over any good amendment.

Secretary Mellon strongly opposed all of these amendments and any soldiers' bonus and opposes many other views we hold. Responsibility for the result rests with his attempt to force his bill through Congress aided by a press propaganda costing several million dollars.

As one of the wealthiest men in the world and a controlling factor in scores of great corporations, his viewpoint and ours naturally differ, but that does not make his views a standard of Republicanism.

We are free to act as a group and have had many Members come to influence us to accept some proposal of Mr. LONGWORTH

of a "sight unseen" jackknife plan that we suspect on analysis may be a twin sister of the Mellon plan. No one knows until it is submitted.

We insist Congress and the public are entitled to see any plan Mr. LONGWORTH expects to offer, in order that brackets, percentages, and estimates may be placed on the table for inspection.

After two weeks' debate and voting he still holds the mysterious "37½ per cent" proposal up his sleeve. We are not concerned in any party label on any tax plan, because it is not a political question, but we have supported the best plan thus far offered that will give relief to taxpayers least able to pay. Our own plan was better than either of the others now before the committee.

Five hundred million dollars was handed out by Congress last session to large income beneficiaries through the repeal of the excess-profits tax and reduction of surtaxes from 65 per cent to 50 per cent, the present rate. Ninety-four Republicans voted for the 50 per cent surtax rate last session, and we believe any 37½ per cent rates framed on the Mellon bill tax brackets, or half the rates of existing law, are unjust to taxpayers in the lower brackets, of whom 90 per cent receive under \$10,000 incomes.

The House is entitled to know the facts. That has been the trouble with the Mellon rates, which were prepared in secret, by whom or by what interests no one has yet been willing to state. We ask to see and study the substitute plan and to discuss it, if necessary.

Mr. SEARS of Florida. Mr. Chairman, I hope my friend from Wisconsin [Mr. FREAR] will give me his attention, because I have listened with a great deal of pleasure to his remarks. He stated what we all know, that many on his side do not even know what program they are going to follow. I do not want to repeat a speech, but after my remarks of last week, wherein I stated I believed the gentleman from Wisconsin was sincere in his demand for 50 per cent, I repeat now that I will first have to see a record vote before I will believe that he has agreed to any compromise.

Mr. FREAR. There is no proposition before us for more than 50 per cent. My own proposition was defeated.

Mr. SEARS of Florida. That was two years ago.

Mr. FREAR. No; this time.

Mr. SEARS of Florida. I mean the old rate was 50 per cent two years ago. The gentleman is now arguing for 50 per cent. The Garner plan is 44 per cent. I think it was day before yesterday I again saw in the newspaper that the majority leader—and you people are in power still—was dealing with what he called the insurgents, on the Republican side, and was perhaps going to raise the ante—as I said in my remarks before. I said the other day that I refused to believe that the gentleman from Wisconsin [Mr. FREAR] was in the game, and I want to say that I do not believe that a majority of those 69 men who stand for 50 per cent and who still think it ought to be 50 per cent are going to make this deal.

Mr. FREAR. The maximum is 50 per cent, and that means nothing unless you know what bracket it comes in.

Mr. SEARS of Florida. The gentleman knows what bracket the 44 per cent comes in.

Mr. FREAR. Yes.

Mr. SEARS of Florida. In other words, the Democrats have laid their plan on the table?

Mr. FREAR. Yes.

Mr. SEARS of Florida. But you do not yet know where you are, as far as your party is concerned, and you are now asking to be told.

Mr. FREAR. Not to be told, but to learn what is their proposition.

Mr. SEARS of Florida. The gentleman ought to be in a party where he can learn.

Mr. FREAR. But we would have to be tied up then.

Mr. SNYDER. The gentleman said that the Garner plan was laid on the table. That is not the last table it is going to be laid on.

Mr. SEARS of Florida. That is about as correct as your first guess, for I still refuse to believe that all on the Republican side have forgotten the people back home, those who sent them to Congress. When I think of my good friend, Mr. MILLS, the gentleman from New York, shedding crocodile tears for the poor, because the inheritance taxes begin to increase after you reach \$450,000, I wonder how many in our districts are worth that amount and how many it affects. But that is not the purpose which I desired to talk about. The final vote will tell exactly where each Member stands.

My good friend from North Carolina, Mr. ABERNETHY, is very deeply interested in North Carolina. He ought to be. It is a great State. But in my State we manufacture cigars. I

would like to get some changes made in the rates on cigars. But I realize—

Mr. ABERNETHY. Mr. Chairman, may I interrupt the gentleman?

Mr. SEARS of Florida. Certainly.

Mr. ABERNETHY. They do not tax cigars. Why should you be concerned?

Mr. SEARS of Florida. Oh, yes; they are in here.

Mr. ABERNETHY. Not this increase. That is the point I am making. You fellows who have cigars are not willing to tote fair with the cigarette folks.

Mr. SEARS of Florida. I remember, when the first tax was placed on cigarettes, the same argument was made to have it changed back, and for months and months or a year or more those who smoked cigarettes paid 10 cents a package and got only 8 cigarettes. You can buy them down town and at other places now for 12 and 13 cents a package, and it has not resulted in helping the producer. My good friend from North Carolina need not be concerned about \$3 or \$4 or \$5 helping the producer. Just to show you I am correct, let me call your attention to the fact that while in the Capitol restaurant you pay 40 cents for a Florida grapefruit, the producer is getting only about 1 cent apiece and can not even sell all the fruit he has at that price.

The CHAIRMAN. The time of the gentleman has expired. Mr. SEARS of Florida. Mr. Chairman, at a later date I will go into this question fully. I will not ask for more time now, as I know we have had a hard day.

The CHAIRMAN. The time of the gentleman from Florida has expired. The question is on agreeing to the amendment, which the Clerk will again report for information.

The Clerk read as follows:

Amendment offered by Mr. GARNER of Texas: Page 152, line 8, strike out the figure "3" and insert in lieu thereof the figure "4."

The CHAIRMAN. The question is on agreeing to the amendment.

The question was taken, and the Chairman announced that the ayes appeared to have it.

Mr. HAWLEY. A division, Mr. Chairman.

The CHAIRMAN. A division is called for.

The committee divided; and there were—ayes 109, noes 70.

Mr. ABERNETHY. Mr. Chairman, I demand tellers.

The CHAIRMAN. Tellers are demanded.

Tellers were ordered, and the Chairman appointed Mr. GARNER of Texas and Mr. ABERNETHY to act as tellers.

The committee again divided; and there were—ayes 117, noes 85.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

Every manufacturer of cigarettes purchasing any cigarette paper made up into tubes (a) shall give bond in an amount and with sureties satisfactory to the commissioner that he will use such tubes in the manufacture of cigarettes or pay thereon a tax equivalent to the tax imposed by this section and (b) shall keep such records and render under oath such returns as the commissioner finds necessary to show the disposition of all tubes purchased or imported by such manufacturer of cigarettes.

Mr. DAVEY rose.

The CHAIRMAN. For what purpose does the gentleman from Ohio rise?

Mr. DAVEY. I move to strike out the last word.

The CHAIRMAN. The gentleman from Ohio moves to strike out the last word.

Mr. DAVEY. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. DAVEY. I would like to speak with reference to the Green amendment. Must I ask unanimous consent to proceed out of order?

The CHAIRMAN. The gentleman from Ohio asks unanimous consent to proceed for five minutes out of order. Is there objection?

Mr. GREEN of Iowa. I shall have to object.

Mr. DAVEY. It is with reference to the Green amendment. I hope the gentleman will withhold his objection.

Mr. GREEN of Iowa. That has been fully discussed. I want to get along with the bill. We must stop these retroactive discussions.

Mr. DAVEY. This is a very serious proposal that I have.

Mr. GREEN of Iowa. I regret to have to object. The gentleman can get some time later on. I want to push along this afternoon.

Mr. DAVEY. It will take only five minutes, and then it will be through.

The CHAIRMAN. Objection is heard. The Clerk will read. The Clerk read as follows:

(c) Sales or shipments of leaf tobacco by a dealer in leaf tobacco shall be in quantities of not less than a hogshead, tierce, case, or bale, except loose leaf tobacco comprising the breaks on warehouse floors, and except to a duly registered manufacturer of cigars for use in his own manufactory exclusively.

Dealers in leaf tobacco shall make shipments of leaf tobacco only to other dealers in leaf tobacco, to registered manufacturers of tobacco, snuff, cigars, or cigarettes, or for export.

Mr. McKEOWN. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Oklahoma moves to strike out the last word.

Mr. McKEOWN. Mr. Chairman and gentlemen of the committee, I rise to call your attention to the fact that in this section we have to deal entirely with the regulation of leaf tobacco. It has become a rule now—I suppose you would call it "the rule of expediency"—that any measure that has to do with regulation is out of order in the House. This shows you what the amendment to the rules has at last gotten us into, and I am not going to be the only one who is going to suffer from the rule. It is within the power of this House under the present rule to put out of order anything that is not expedient or anything that the House does not want to consider if there is a majority who prefer not to consider it. You have not any precedent now by which you can declare anything in order. You have not any precedent to govern yourselves except the rule of expediency. That is all you have got. [Applause.]

Here is an amendment, a provision, which, if it were offered now in this House the committee might not want to consider it, because, forsooth, it regulates leaf tobacco. I have offered an amendment to this House that did not have a single regulatory provision in it. It was a simple taxing method, but it was not expedient for the House to consider it.

I am going to say something else to you gentlemen on the committees in this House. I am going to say this: What inducement do you give a Member of this House who desires to exercise his rights as a Member here? What inducement do you give him who desires to prepare himself to legislate and comes here with that purpose in mind? Is it going to be that the committees of the House are going to report bills in and the rest of us just sitting by and take what you give us? So far as I am concerned, I am one Member who is not going to swallow everything that some committee or some department sends in here. [Applause.] That is the cause of the opposition I had to the so-called Mellon plan.

No department has the right to assume to give its name to a bill to be passed through the House of Representatives.

Now, what happens in this House when a man outside of a member of the committee offers an amendment? The committee will vote against him, even if it is a worthy amendment, because they do not want the bill amended.

Mr. GREEN of Iowa. I have repeatedly accepted amendments from Members outside of the committee. I did so yesterday.

Mr. McKEOWN. Well, they are very small amendments, and they are figured not to hurt anything when the gentleman accepts them.

I am telling you the truth when I say that the membership of this House is gagged when it comes to the proposition of offering an amendment to a bill, because they come on the floor with the determination that no amendments will be put onto the bill if they can help it, no matter who offers them and how worthy they are.

Now, gentlemen, I say that the proposition now is the rule of expediency; if your amendment is expedient and one that it is expedient to consider, it is in order and it can be considered; but if it is not expedient it will be ruled out of order, and the House can do so. That is what you now have in your rules. [Applause.]

The CHAIRMAN. The time of the gentleman has expired. The Clerk will read.

The Clerk read as follows:

(e) Every dealer in leaf tobacco—

(1) Who neglects or refuses to furnish the statement, to give bond, to keep books, to file inventory, or to render the invoices, returns, or reports required by the commissioner, or to notify the collector of the district of additions to his places of storage; or

(2) Who ships or delivers leaf tobacco, except as herein provided; or

(3) Who fraudulently omits to account for tobacco purchased, received, sold, or shipped; shall be fined not less than \$100 or more than \$500, or imprisoned not more than one year, or both.

(f) For the purposes of this section a farmer or grower of tobacco shall not be regarded as a dealer in leaf tobacco in respect to the leaf tobacco produced by him.

Mr. KINCHELOE. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Kentucky offers an amendment which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KINCHELOE: Page 160, strike out all of lines 9, 10, and 11, and insert the following:

"(f) For the purpose of this section a farmer or grower of tobacco or tobacco growers' cooperative association shall not be regarded as a dealer in leaf tobacco in respect to the leaf tobacco produced by him or handled by such association. As used in this section the term 'tobacco growers' cooperative association' means an association of farmers or growers of tobacco organized and operated as sales agent for the purpose of marketing the tobacco produced by its members and turning back to them the proceeds of sales, less the necessary selling expenses, on the basis of the quantity and quality of tobacco furnished by them.

Mr. GREEN of Iowa. Mr. Chairman, I will accept that amendment.

Mr. KINCHELOE. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KINCHELOE. Has there been general unanimous consent granted to extend remarks in the Record?

The CHAIRMAN. Yes.

Mr. KINCHELOE. Then, Mr. Chairman, I ask unanimous consent, in the extension of my remarks, to print in the Record the regulations of the tobacco department of the Treasury relative to the existing law.

The CHAIRMAN. The gentleman from Kentucky asks unanimous consent to extend his remarks in the Record and include the regulations of the tobacco department of the Treasury relative to the existing law. Is there objection?

There was no objection.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Kentucky.

The question was taken and the amendment was agreed to.

Mr. HAWLEY. Mr. Chairman, I ask unanimous consent to return to page 156 and amend lines 15 and 16 in accordance with the amendment just agreed to.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent to return to page 156 for the purpose of submitting an amendment as indicated. Is there objection?

Mr. BLANTON. We want to know what the amendment is.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HAWLEY: Page 156, line 16, strike out "reenacted without change," add a comma, and insert in lieu thereof the following: "Amended to read."

The CHAIRMAN. Is there objection to the request of the gentleman from Oregon?

There was no objection.

Mr. HAWLEY. The language to be stricken out is this: "Reenacted without change." Since we have made a change in the paragraph that language becomes untrue and the change is made to conform to the facts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon.

The question was taken, and the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE V.—TAX ON ADMISSIONS AND DUES.

SEC. 500. (a) On and after the date this title takes effect, there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 800 of the revenue act of 1921—

(1) A tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place on or after such date, including admission by season ticket or subscription, to be paid by the person paying for such admission; but where the amount paid for admission is 50 cents or less, no tax shall be imposed;

(2) Upon tickets or cards of admission to theaters, operas, and other places of amusement, sold at news stands, hotels, and places other than the ticket offices of such theaters, operas, or other places of amusement, at not to exceed 50 cents in excess of the sum of the established price therefor at such ticket offices plus the amount of any tax imposed under paragraph (1), a tax equivalent to 5 per cent of the amount of such excess; and if sold for more than 50 cents in excess of the sum of such established price plus the amount of any tax imposed under paragraph (1), a tax equivalent to 50 per cent of the whole amount of such excess, such taxes to be returned and paid, in the manner and subject to the interest provided in section 603, by the person selling such tickets;

(3) A tax equivalent to 50 per cent of the amount for which the proprietors, managers, or employees of any opera house, theater, or other place of amusement sell or dispose of tickets or cards of admission in excess of the regular or established price or charge therefor, such tax to be returned and paid, in the manner and subject to the interest provided in section 603, by the person selling such tickets;

(4) In the case of persons having the permanent use of boxes or seats in an opera house or any place of amusement, or a lease for the use of such box or seat in such opera house or place of amusement (in lieu of the tax imposed by paragraph (1)), a tax equivalent to 10 per cent of the amount for which a similar box or seat is sold for each performance or exhibition at which the box or seat is used or reserved by or for the lessee or holder, such tax to be paid by the lessee or holder; and

(5) A tax of 1½ cents for each 10 cents or fraction thereof of the amount paid for admission to any public performance for profit at any roof garden, cabaret, or other similar entertainment, to which the charge for admission is wholly or in part included in the price paid for refreshment, service, or merchandise; the amount paid for such admission to be deemed to be 20 per cent of the amount paid for refreshment, service, and merchandise; such tax to be paid by the person paying for such refreshment, service, or merchandise. Where the amount paid for admission is 50 cents or less, no tax shall be imposed.

Mr. RAINEY. Mr. Chairman, I offer the following amendment: In line 17 on page 160 strike out the figures "10" and insert "20."

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RAINEY: Page 160, line 17, strike out the figures "10" and insert in lieu thereof the figures "20."

Mr. RAINEY. Mr. Chairman, this clause, placing a tax on admissions and dues, has not been changed since 1918, except that in the act of 1921 admissions to theaters charging less than 10 cents were not taxed. The change proposed in this section in the pending bill exempts from taxation admissions of 50 cents or less.

This is intended to reach the moving-picture houses of the country. We have now added so much to the revenue in the cigarette tax, in the stock-distribution tax, in the estate tax, and I expect later on to introduce an amendment to the excise taxes which will restore the chewing-gum tax of 1913, that we can now venture, I think, to discuss some educational matters and to examine into the effect this tax has had upon the theaters of the country.

I do not intend to attempt to disturb the exemption which is given to admissions of 50 cents and under. I am indebted to Augustus Thomas, the great dramatic writer—who appeared before the Ways and Means Committee—for the alarming facts to which I shall call the attention of the committee.

Mr. Thomas appeared before the committee speaking for the National Theater Managers' Association, the Actors' Equity Association, the Authors' League of America, the Producing Managers' Association of New York, the International Theater Association, the Organization of the American Dramatists, and the Actors' Fidelity Association. These modest gentlemen, comprising these theatrical organizations, took just as little of the time of the committee as they could, and they have taken just as little time of the Members of the House as they possibly could, and, therefore, I am going to attempt to present their case.

There has been no propaganda exerted by them; there have been no flaming advertisements on moving-picture screens, but they have presented their case modestly through Augustus Thomas, one of the world's greatest playwrights, and this is their case:

The effect of this tax on theater admissions in three years has been to reduce the number of theaters in which the spoken drama is housed from 1,200 houses to 400 houses. In the medium sized and in the smaller cities in three years the number of theaters in which the spoken drama is housed has decreased from 800 to 200. In other words, this tax in three years has cut off 66 per cent of the theaters in the country, and 75 per cent of the theaters in the cities.

The CHAIRMAN (Mr. GRAHAM of Illinois). The time of the gentleman from Illinois has expired.

Mr. RAINEY. Mr. Chairman, I ask for five minutes more.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for five additional minutes. Is there objection? [After a pause.] The Chair hears none.

Mr. RAINEY. There are still left out in the country towns and in smaller cities 500 community theaters and they are also rapidly disappearing.

It is unusual in the history of the world to impose a tax upon education, upon cultural instrumentalities, but that is what we do in this section.

Mr. TREADWAY. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. TREADWAY. Will the gentleman kindly tell the House the effect of his amendment on the higher-priced admissions?

Mr. RAINEY. Yes; that is what I want to do. The effect of the tax on the higher-priced admissions has been to reduce the number of theaters 66 per cent.

Mr. TREADWAY. No; the gentleman misunderstood me—the effect of his amendment on the higher-priced admissions.

Mr. RAINEY. The effect of my amendment on the higher-priced admissions will be to make the tax 1 cent for each 20 cents. It stands now at 1 cent for each 10 cents, and has stood at this rate since this tax has been in effect.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. GREEN of Iowa. Does not the gentleman recognize that the number of what are commonly called legitimate theaters was cut down a great deal by the competition of the moving pictures before we had any admission tax at all?

Mr. RAINEY. I think that is true, but in the last three years there has not been much development in the movies. In the last three years there has been only this tax to which Mr. Thomas and his colleagues can trace the decreased number of theaters in that period. This tax operates exactly as if we put a tax collector at the door of every schoolhouse in the United States and demanded a tax of every pupil as he entered the schoolhouse.

Mr. DAVEY. Will the gentleman yield?

Mr. RAINEY. Yes, sir.

Mr. DAVEY. I was wondering if the depression of 1921 had anything to do with the decrease in the number of theaters after the lapse of the excessive prosperity of preceding years. I was wondering if that might not have had something to do with it.

Mr. RAINEY. It might have had something to do with it; yes.

Mr. TREADWAY. Suggesting an admission price of \$2.50, the practical effect of the amendment would be as follows, would it not? The present law of 1 cent on each 10 cents, as in the bill, is a 10 per cent tax and therefore there would be a 25 cent tax on a \$2.50 admission, and the purchaser would pay \$2.75, whereas under the gentleman's amendment he would pay \$2.63.

Mr. RAINEY. He would pay half as much in taxes; yes.

Mr. TREADWAY. Twelve and a half cents.

Mr. MOORE of Virginia. What has been the effect upon the revenue produced?

Mr. RAINEY. The revenues have been falling off. In 1918, on admissions we got \$26,357,338.81; in 1919, \$50,919,218.42; in 1920, \$76,920,955.43; in 1921, \$89,730,831.99; in 1922, \$73,384,955.61; and in 1923, \$70,175,197.11. Nineteen hundred and twenty-one was the peak year. It has commenced to recede again.

This amendment will not wipe out the tax. It is impossible to tell how much revenue will be lost, but we estimate that we lose probably \$25,000,000 or \$30,000,000 by permitting moving pictures charging an admission of 50 cents and less to operate without this tax, and this will probably remove from the revenue receipts an income perhaps as large.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. RAINEY. Mr. Chairman, may I have five minutes more?

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to proceed for five additional minutes. Without objection, it is so ordered.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. RAINEY. Yes.

Mr. BLANTON. As an illustration, take the situation here in Washington and take a theater like Keith's, where a few years ago they charged \$1 for high-class vaudeville. They now charge \$2, and with the tax the admission is \$2.20. Under the gentleman's amendment, if they wanted to go back to \$1, which they ought to do in normal times, we would only get a tax of 5 cents.

Mr. RAINEY. I am not so much interested in vaudeville of the Keith type as I am in the drama, which has an educational and a cultural influence.

Mr. GARRETT of Tennessee. Will the gentleman yield?

Mr. RAINEY. I yield.

Mr. GARRETT of Tennessee. As I understand it, removing the tax, as is proposed in the bill, on the 50-cent shows, which

are really the movies, the amendment proposed by the gentleman will substantially equalize, so far as the tax is concerned, the movie with the spoken drama.

Mr. RAINEY. That is it exactly. The section will give up about as much revenue for the spoken drama as we give up for the movies.

Mr. GARRETT of Tennessee. And it prevents favoritism, so far as the taxing power is concerned, to the movie as against the spoken drama.

Mr. RAINEY. Yes; that is it exactly.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. RAINEY. In just a moment I will be very glad to yield. In other words, under this clause as it stands now we have made it possible to see Douglas Fairbanks in his athletic stunts without paying a tax. We can see Pola Negri in her graceful Spanish dances without paying a tax. All of you gentlemen can do that if you so desire. We can see William S. Hart with his revolvers and his horse play without paying a tax.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. RAINEY. We can see any of those people who figure in the scandals and in the murders and in the opium horrors of Hollywood—we can see any of them without paying a tax, but if we go down here to see a Shakespearian production or to see one of Augustus Thomas's dramas, or anything that provides a really proper emotional outlet for the people of this country, we are taxed for it.

Mr. LA GUARDIA. The amendment of the gentleman does not disturb the 50-cent exemption?

Mr. RAINEY. No; not at all.

Mr. LA GUARDIA. Does not the gentleman believe that to carry out his purpose we could bring that exemption up to \$1?

Mr. RAINEY. I do not know that I understand exactly the effect of the gentleman's suggestion.

Mr. LA GUARDIA. Instead of the amendment suggested by the gentleman, I was asking if we could not bring the exemption up to \$1 instead of 50 cents, as now in the bill.

Mr. RAINEY. That might, indeed, help some, and if I can not get this through I will offer that amendment, if the gentleman does not offer it himself.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. GREEN of Iowa. I never went to see Pola Negri, perhaps the gentleman has, but when I went to see Douglas Fairbanks I had to pay a Government tax.

Mr. RAINEY. Well, you will not now, unless they charge over 50 cents.

Mr. SCHNEIDER. Will the gentleman yield?

Mr. RAINEY. Yes.

Mr. SCHNEIDER. We get a lot of Mellon tax propaganda in return for that admission.

Mr. RAINEY. Well, you can see that at the movies without paying a tax, as this bill now stands. You can go to the movies and you can suffer all the emotional pangs you feel like suffering, but there is nothing in the movies that appeals to the intellect.

The unspoken drama does not improve the English of the country. It does not have the cultural effect that the spoken drama does. Since we have put up the tax on estates and the tax on cigarettes to the amount of \$60,000,000, as the gentleman from Texas states, has not the time come to do something for the education of the young of the country and the culture of the country? The taxes on the spoken drama are in effect a tax on culture; it is like reaching out from some unknown source with a hand of steel and throttling the sculptors as they produce their masterpieces, which appeal to the culture of those of this generation and the next. It is like stilling the hand of the painter at his work. We measure the culture, the progress, and the advance of any era in the history of the world by calling attention to the drama of that period and to the art of that period in all its forms. You might as well tax painting and sculpture as to tax the drama. [Applause.]

And may I call attention to the Chautauqua organizations of the country and to the lyceums. They struggle along now under many difficulties. In every community reached by these organizations a few public-spirited citizens guarantee that the receipts shall not fall below a certain amount. When there are deficits, the guarantors make them good, and there never were as many deficits as now. This amendment will relieve them of a great burden—this tax collected on single admissions. Has not the time come to relieve them from the war taxes they pay? The amendment suggested by the gentleman from New York [Mr. LA GUARDIA] would do it. The communities which sustain these Chautauquas have submitted

to these war taxes as long as they ought to submit. There ought to be a little propaganda started in favor of education and culture, and there ought to be less of the other kinds of propaganda to which this Congress has been subjected. The time has come when those who lead in the intellectual life of the smaller communities and who pay these Chautauqua deficits should demand of their Representatives here that they be relieved of the burden imposed by these war taxes. We may as well give them some relief now; if we fail, they will get it in the Senate, if they try. Neither the Senate nor the House can stand against the demands they can make. And the effort I am making now may have the effect of causing 5,000 communities throughout the land to demand of their Representatives that they be relieved of these taxes which bear so heavily on the intellectual life of the smaller cities. [Applause.]

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

Mr. TILSON. Mr. Chairman, in order to get the floor I rise in pro forma opposition to the amendment of the gentleman from Illinois, although I am really in favor of it. I am very glad to have the valuable aid of the gentleman from Illinois in securing the reduction on theater admissions. Since we have been giving away so many confidences in the committee, I wish to give away one of my own, but none other, and say that in the committee I strove strenuously to reduce the taxes on admissions. I wished to eliminate them altogether; but if it were not possible to eliminate the tax entirely, I contended that the exemption should go at least as high as \$1. I was very desirous of favoring what in college days we were accustomed to call gallery gods. You all know the class I mean, the young man or young woman who wishes to see a good show but who can not afford to pay the fancy prices charged for an orchestra seat, but who can go into the gallery. One dollar will pay for a gallery seat at the very great majority of first-class performances of the spoken drama.

Mr. TREADWAY. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. TREADWAY. Without further breaking confidences in the committee, is it not fair to say that the gentleman's position had considerable support from others of us in the committee?

Mr. TILSON. Yes; the gentleman from Massachusetts is entirely correct. We did our best in the committee, each one trying to have put into the bill the things he thought for the best interest of his constituents and of the country. On account of the revenue that must be raised, we could not do all that we should have liked to do, like taking the tax off of automobiles and many other things for which there is no sound economic reason for having to bear a discriminatory tax. But we could not remove all of these taxes on account of the loss of revenue. The drama was one thing about which there was a very deep concern on the part of a number of members of the committee, and I for one am glad to have such valiant support as the gentleman from Illinois always gives when he favors a proposition.

Mr. HUDDLESTON. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. HUDDLESTON. Is not the tax on theater tickets a form of sales tax?

Mr. TILSON. Yes it is a very heavy sales tax and there is no economic justification for it. The only justification is that we must raise the revenue somewhere, on some industry that can stand it. It is a practical question that we have been considering from the beginning.

Mr. BLACK of Texas. Will the gentleman yield?

Mr. TILSON. I will.

Mr. BLACK of Texas. Does not the gentleman think that it would be more just to remove the tax on transactions in the form of promissory notes and deeds of conveyance?

Mr. TILSON. Such taxes ought to be removed if they can be, but let me tell the gentleman that this is a tax on education. It is more than a tax on education because of the relaxation that the theater gives, the value of which to our human kind no one can estimate. The stimulation it gives may mean much more than can be measured by the price of admission or the tax.

Mr. YOUNG. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. YOUNG. I sympathize with the gentleman in reducing taxes wherever it can be done, but I want to ask the gentleman has there been any request of the committee or of Congress, as far as the gentleman knows, from these parties concerned to take off the tax or reduce it?

Mr. TILSON. No, there has not; but I think some of us can see what the effect of a tax like this is.

Mr. NEWTON of Missouri. The gentleman from Illinois referred to the decrease of theaters which had been considerable. Does the gentleman attribute that to the tax on admissions?

Mr. TILSON. That is one of the reasons.

Mr. NEWTON of Minnesota. Coincidental with other causes, Mr. TILSON. Undoubtedly the tax has had its effect, and I for one believe that the spoken drama as well as the moving pictures ought to be encouraged.

Mr. VESTAL. Will the gentleman yield?

Mr. TILSON. Yes.

Mr. VESTAL. Does not the gentleman think that a theater that charges \$4 admission for a ticket ought to be taxed? [Applause.] Let them put the price down so that people can go to them; they have got the prices up where nobody can go.

Mr. TILSON. I have not the time to go into that. My position when overruled as to eliminating all admission taxes was to exempt the tickets up to \$1. If the gift tax and the cigarette tax are going to produce so much revenue—which I think they will not—we may still be able to put the exemption up to \$1.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that all debate upon this amendment and all amendments thereto close in 20 minutes.

The CHAIRMAN. Is there objection?

There was no objection.

Mr. MILLS. Mr. Chairman, I, too, like the gentleman from Connecticut [Mr. TILSON], am more than gratified to find myself on the same side with the distinguished gentleman from Illinois [Mr. RAINY]. As he has so well stated, there is a serious situation in this country to-day. Throughout the country the small theater is rapidly disappearing. It is not entirely due to taxes. It is due to high transportation rates which make it difficult to transport the company from town to town for one-night stands. It is due to the great popularity of the movies, and it is due to high taxation. Mr. Chairman, if you want to look for the soul and the spirit of a nation, where do you look? You look to its literature and as part of that literature the spoken drama stands out. As Mr. Thomas so well pointed out to the Committee on Ways and Means, it is not fair to object by saying that at any one time the spoken drama as presented in the country in a given year, or even in a series of given years, can be classified as real literature. You never can tell what young man is maturing unknown and will some day develop the genius which will blossom forth and express in the written drama or in some written work the soul and spirit of America. Therefore anything which tends to discourage literary effort and production, which tends to discourage culture, is something which we should eliminate to the fullest possible extent.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. MILLS. Yes.

Mr. BEGG. If this amendment be adopted, does it not affect all admissions for all kinds of entertainments, boxing matches, and everything above 50 cents? And if it does, what percentage of the total exemptions are the kind that the gentleman is talking about, as also were the gentleman from Connecticut and the gentleman from Illinois?

Mr. MILLS. There were two forms of tax exemptions proposed. One was to raise the exemption from 10 cents to 50 cents, or from a dollar to a dollar and a half. That is ill balanced because it relieves all those below a certain amount and exacts a full tax on all admissions above a certain amount. It is generally said that the poor man goes to the movies and that the rich man can well afford to pay a higher price for the legitimate drama, but anyone who has stood outside of the Metropolitan Opera House in New York City, for instance, at about 6 o'clock in the evening, and has seen the long line formed on Broadway prepared to wait two hours in the cold to buy the cheap seats in the gallery, will know that love of good music and fine opera is not limited to those sitting in the boxes. [Applause.] As Mr. Thomas pointed out to me, while a man of small means may not often go to the theater or opera, and may go to the movies frequently, he does like to save up and certainly three or four times a year at least go and see something that will give him intellectual and spiritual stimulus in the form of a real drama of merit.

Just raising the exemption is an ill-balanced proposition. The proposition which the gentleman from Illinois [Mr. RAINY] suggests, and which was not suggested in the committee, appears to me to be eminently fair. If we can reduce the tax, reduce it right down the line, putting all of these enter-

tainments on exactly the same basis, and relieve them, if we are going to relieve them, by the same percentage. Do not say that we are going to relieve the movies, that we are going to relieve the cheaper forms of entertainment, but that we are going to keep the maximum war tax as it exists to-day on that sort of entertainment which can be classified as art and which is of real educational and cultural benefit to our people.

Mr. FREAR. Mr. Chairman, I am deeply touched by the plea which has been made for the Metropolitan audience, and I also have seen hundreds of people there in line sitting, standing, and waiting for the box office to open, and it touches my heart to feel that those people are not going to sit there longer with the present tax imposed upon them, but that if we cut this tax in half and make it a few cents less they will have their chairs and their boxes reserved all along Broadway, as you see them to-day sitting patiently waiting for the box office. I also feel sympathy, and I am honest about it, for the gentleman from Illinois [Mr. RAINEY], who has made an honest, persuading appeal and who by the way has come over on this side to join with the new Republican insurgents. I tell you it is a dangerous thing to be called an insurgent, and the new brand is here supporting his plea for theater tax reduction. He is right undoubtedly, and we heard Mr. Thomas speak correctly so far as the educational effect goes; we are all agreed with both gentlemen, but do you realize, gentlemen of the committee, that you have been scolded time after time by the gentleman from New York who just took his seat because by the Garner amendment you have reduced tax receipts two or three hundred million dollars below the amount of necessary Treasury receipts? Next comes the automobile tax, that will be urged for a tax cut, and on top of that you are going to have the same plea made for a cut in the jewelry tax. Then comes the bonus for soldiers, and the gentlemen who are to-day urging the theater tax cut will be lined up against the bonus. They were against the effort to put a little more money into the Treasury through increased cigarette tax, but when it comes to the reduction of theater taxes—

Mr. TILSON. Oh, I did not think that it would add anything to the Treasury receipts.

Mr. FREAR. If you gentlemen are going to have a deficit of over \$200,000,000 which is threatened by these friends on this side, and of course it depends upon the particular measure on which gentlemen are speaking as to their support or opposition, I suggest that if you want to save your tax bill, my Democratic friends—and it is your bill they say it is over here on the Republican side—be careful about some of these propositions your new friends are trying to vote onto the bill.

Mr. BACHARACH. Mr. Chairman, will the gentleman yield?

Mr. FREAR. Yes; certainly.

Mr. BACHARACH. The purpose, as I recall it, before the committee in asking for a cut in the admission tax was to take care of the theaters in small communities.

Mr. FREAR. Yes, in part.

Mr. BACHARACH. It was not to take care of the theaters in the large centers.

Mr. FREAR. It has not been shown what amount of money would be taken from the Treasury; it has not been shown at all that it will add one person to the audience through increased attendance by cutting the tax, however desirable. Mr. Thomas came before us, and I admire him, but you can not eat your cake and keep it, and if you want to preserve your bill I suggest to you gentlemen not to approve some of these tax cuts. We can not grant all the appeals, however worthy. I do not question the weight of argument, but why jeopardize the bill with unexpected tax cuts if a deficit is threatened?

Mr. Chairman, I again call attention to the 37½ per cent compromise tax proposal that is to be offered some time by a distinguished gentleman on this side of the aisle, and again I urge that we may know what he expects to offer and will we be given time to discuss the mysterious plan. Again I offer further argument asking that we be permitted to see the plan and to study its effect. Thirty-seven and one-half per cent may mean many things and be as impossible as the Mellon bill.

Mr. Chairman, Republicans who are more interested in legislation than in partisanship ask to see Mr. Mellon's mysterious revised 37½ per cent compromise for the original Mellon bill which it is announced Mr. LONGWORTH will offer as a substitute. Percentages mean little until relation to amounts contained in tax brackets are revealed. We ask to examine the brackets, percentages, and all parts of the plan to learn just what it means before it is sprung on the House after debate has closed. That is the only fair course to pursue with a great tax bill involving \$200,000,000 in income-tax rates.

The so-called scientific Mellon bill juggled income rates and tax brackets so as to mislead the public. It used a 25 per cent tax rate for the \$100,000 bracket, whereas the 25 per cent bracket in existing law taxes incomes of only \$54,000. The Mellon bill gave about 50 per cent reductions to large incomes but only 2 per cent cut on normal tax to the small taxpayer. This comes through juggling of tax brackets.

The Mellon bill can not be resurrected, but we ask to learn if Mr. Mellon's substitute is the Mellon bill under a different title and arrangement of brackets and rates.

Constant press reports of dissatisfaction among so-called insurgents who are for the 37½ per cent cut we are not disturbed about. We do ask Mr. LONGWORTH to put his 37½ per cent Mellon revised tax plan in the RECORD where it can be seen and studied. We have made no coalition with Democratic Members and never have had any. The Garner plan is not nearly as good as the one we offered either "scientifically" or to administer, but it is far more just than the Mellon bill. It favors 3,500,000 taxpayers where the Mellon bill favors 4,223, who get \$75,500,000 tax reduction, or 50 per cent more than the 3,500,000 will receive. That is not politics but a cold fact in dollars and cents. Politics had no part in our support of the Garner plan.

Twice we have offered compromises to our Republican colleagues that would greatly relieve small taxpayers, and as regularly they have been rejected by Mr. Mellon, who controls the situation, so we are justly suspicious of any tax plan not fully understood in advance.

We offered four amendments in this committee affecting tax-free securities, undistributed profits, publicity of records, and excess profits. All were sound in principle and would have provided more than enough to reduce corporate normal taxes and to finance a soldiers' compensation bill. All were refused.

These amendments were opposed by Democratic leaders, whether called insurgents or irregulars, who joined with Republican leaders for that purpose, as they had a right to do without criticism. We asked others to offer the inheritance and gift tax amendments, which include original proposals offered several weeks ago. No pride of authorship occurs over any good amendment.

Secretary Mellon strongly opposed all of these amendments and also any soldiers' bonus, and opposes many other views we hold. Responsibility for the result rests with his attempt to force his bill through Congress aided by a press propaganda costing several millions of dollars.

As one of the wealthiest men in the world and a controlling factor in scores of great corporations, his viewpoint and ours naturally differs, but that does not make his views a standard of Republicanism.

We are free to act as a group and have had many Members come to influence us to accept some proposal of Mr. LONGWORTH of a "sight unseen" jack-knife plan that we suspect on analysis may be a twin sister of the Mellon plan. No one knows until it is submitted. Why can not we see it?

We insist Congress and the public are entitled to see any plan Mr. LONGWORTH expects to offer in order that brackets, percentages, and estimates may be placed on the table for inspection.

After over two weeks' debate and voting he holds the mysterious "37½ per cent" proposal up his sleeve. We are not concerned in any party label on any tax plan, because it is not a political question, but we have supported the best plan thus far offered that will give relief to taxpayers least able to pay. Our own plan was better than either of the others now before the committee.

Five hundred million dollars was handed out by Congress last session to large income beneficiaries through the repeal of the excess-profits tax and reduction of surtaxes from 65 per cent to 50 per cent, the present rate. Ninety-four Republicans then voted for the 50 per cent surtax rate last session, and we believe any 37½ per cent rates framed on the Mellon bill tax brackets or on half the rates of existing law are unjust to taxpayers in the lower brackets, of whom 90 per cent receive under \$10,000 incomes.

The House is entitled to know the facts. That has been the trouble with the Mellon rates, which were prepared in secret by whom or by what interests no one has yet been willing to state. We ask to see and study the substitute plan and discuss it, if necessary.

Mr. LA GUARDIA. Mr. Chairman, I have an amendment to submit.

Mr. GARNER of Texas. Mr. Chairman, I rise in opposition to the amendment.

Mr. LAGUARDIA. I have a substitute which I wish to offer.

The CHAIRMAN. The gentleman from New York offers a substitute, which the Clerk will report.

The Clerk read as follows:

Substitute offered by Mr. LAGUARDIA to the amendment offered by Mr. RAINEY: Page 160, line 21, strike out "50 cents" and insert "\$1."

Mr. GREEN of Iowa. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The gentleman will state the point of order.

Mr. GREEN of Iowa. Perhaps I did not understand the amendment when it was read. I ask unanimous consent that it be read again.

The CHAIRMAN. Without objection, the amendment will be read again.

The substitute amendment was again read.

Mr. GREEN of Iowa. Mr. Chairman, I withdraw the point of order. I did not understand the amendment as it was first read.

Mr. LAGUARDIA. Mr. Chairman, this would bring your exemption on taxes on admissions up to \$1, and I believe it would serve the very purpose that the gentleman from Missouri is urging.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. LONGWORTH. If I understand exactly the parliamentary status, the adoption of the gentleman's substitute would defeat the amendment of the gentleman from Illinois.

Mr. LAGUARDIA. It would.

Mr. GREEN of Iowa. It is a substitute, to take the place of it.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. CHINDBLOM. Would the gentleman like to have some information as to the amount of money involved? I ask that question not in any spirit of opposition.

Mr. LAGUARDIA. I wish the gentleman would give it now.

Mr. CHINDBLOM. The proposal of the committee creates a loss of approximately \$33,000,000 out of \$70,000,000 in last year's tax. The proposal of the gentleman from Illinois [Mr. RAINEY] would practically cut the remaining balance in half, so that it would leave us \$18,500,000. The gentleman's [Mr. LAGUARDIA's] amendment would take off about \$7,000,000 more than the amendment offered by the gentleman from Illinois.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes; but do not take up all my time.

Mr. GARNER of Texas. I wanted to get the accurate figures. The gentleman from Illinois is \$8,000,000 short. The estimate was \$73,000,000. The result is \$73,000,000 less \$40,000,000, which is \$33,000,000.

Mr. CHINDBLOM. It was \$73,000,000 in 1923 and \$72,000,000 in 1924.

Mr. LAGUARDIA. That is enough, when we are \$300,000,000 short—or ahead—according to the statement of the Secretary of the Treasury. [Laughter.]

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield for a moment?

Mr. LAGUARDIA. Yes.

Mr. GREEN of Iowa. It would tax the big prize fights, and I would like to see them taxed.

Mr. LAGUARDIA. I think a young man who has aspirations to come to Congress ought to go and see prize fights. He would at least learn not to hit below the belt. [Laughter.]

This would exempt admissions up to \$1 and it would make it possible to encourage good music as well as high-class drama. If you simply reduce them by one-half, the public will not get the benefit of it. You are not going to decrease the cost of admissions as long as producers in large cities are in collusion with these ticket speculators. It was pointed out that high prices are charged for admissions in my city. It is quite true, but the amendment will not bring prices down, while my substitute will at least relieve all taxes under the \$1 rate. If you exempt admissions up to \$1 it would encourage high-class drama in the provinces—if I may refer to the rural districts as provinces—and at the same time it will bring a great deal of relief in the adjustment of the tax. I am informed by the collector of internal revenue in the theatrical district in New York, Mr. Charles Anderson, and his assistant, Mr. Charles Lardy, that they have inaugurated a system of supervision and are now col-

lecting taxes. Mr. Lardy, who is an expert on excise taxes, believes that a cut in the tax will not redound to the benefit of the theater-going public, while the exemption up to \$1 will surely benefit the public and tend to reduce theater admissions.

As to figures just now submitted, why, I will say, with all due deference, that the gentlemen have been off so often I am sure they are way off now on their estimate.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. KINDRED. Mr. Chairman, I ask unanimous consent that the gentleman may have five minutes more.

The CHAIRMAN. The time of the gentleman from New York has expired. The question is on agreeing to the substitute offered by the gentleman from New York [Mr. LAGUARDIA].

Mr. CHINDBLOM. Mr. Chairman, are not five minutes left?

The CHAIRMAN. Yes.

Mr. GARNER of Texas. I would like to be heard.

The CHAIRMAN. The gentleman from Texas is recognized against the substitute.

Mr. GARNER of Texas. I do not know what the substitute is, Mr. Chairman, but if gentlemen are interested enough to turn to the CONGRESSIONAL RECORD of February 16, page 2498, they will find a number of excise taxes, amounting to \$461,256,330.75. We have recommended the repeal of these to the extent of \$106,392,757.56.

Now, here is the situation as I see it: I would like to repeal every single one of these taxes—every one of them. But, gentlemen, if you are going to repeal them you have got to get the money somewhere else to run the Government. That is all there is about it, and you might as well understand it. And I am just a little bit suspicious of any proposition that comes along that cuts down the revenue by \$20,000,000, and although the gentleman from Illinois [Mr. RAINEY], who has the best of purposes in mind, favors it, yet my friend from Connecticut [Mr. TILSON] and my friend from New York [Mr. MILLS] are very anxious that these taxes should be taken off.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. GREEN of Iowa. This being a substitute, it would do away with the Rainey amendment, if adopted, and would not take off as much money.

Mr. GARNER of Texas. I am in favor of any substitute or anything else that will avoid taking this money out of the Treasury. Remember we were collecting \$70,000,000 from moving pictures and other admissions. We repeal this law \$23,000,000 by exempting anything under 50 cents. We did that on the theory that the people who attended those shows are better able to afford paying the tax than those who attend the small shows. I do not know what the gentleman from Connecticut or the gentleman from New York is going to say about this tax. Just a while ago the gentleman from New York said we would get no revenue from the cigarette amendment that I offered. Yet he is here trying to repeal \$20,000,000 of income that will be derived from the taxes in question.

That would be more than all the increase, according to the estimate, because you remember he said the estimate of the estate tax would not exceed \$20,000,000, yet at one fell swoop he desires to remove that much revenue from this bill, which has been increased in the Committee of the Whole.

Mr. CRISP. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. CRISP. Is it not true that these legitimate theaters are given a benefit under this bill in that the special seating tax on them is repealed?

Mr. GARNER of Texas. Yes; we have repealed the special seating tax on theaters also. We thought we had done pretty well to reduce this tax almost 50 per cent on admissions to the theaters of the country. I think that is a very fine reduction. If you would take some of these other taxes and split them up and then retain this tax it would suit me better than to cut out this entire tax.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. GREEN of Iowa. I received my information from the gentleman from Illinois [Mr. CHINDBLOM], but I misunderstood him when he spoke before, because it seems this would take off more than the Rainey amendment.

Mr. GARNER of Texas. If you will sustain the committee's arrangement as to this, we will vote down both of these amendments, and I hope the Committee of the Whole will vote down both of them.

Mr. LAGUARDIA. Is the gentleman now forming an unholy alliance?

Mr. GARNER of Texas. I have had some alliances with the gentleman from New York, but according to the vote it would appear that the gentleman is a little wishy-washy and can not hold on.

Mr. LAGUARDIA. The gentleman from Texas knows that the "gentleman from New York" is not wishy-washy at all.

Mr. BEGG. Will the gentleman yield?

Mr. GARNER of Texas. Yes.

Mr. BEGG. I would like to have somebody give some idea as to how many of these high-class educational entertainment admissions will be affected as compared to the other kind, which are purely recreational.

Mr. GARNER of Texas. I have not that information, but the gentleman from New Jersey [Mr. BACHARACH] is good enough to hand me this information: The number of theaters charging from 10 to 40 cents is 13,443; charging from 50 cents to 99 cents, 430; and charging \$1 and more, 27. As I understand it that is the evidence of Mr. Pettyjohn and that is the information you want.

Mr. BEGG. Then this amendment in reality, if adopted, would affect any form of entertainment that charges more than 50 cents, like prize fights, horse racing, and everything?

Mr. GARNER of Texas. Yes; all character of entertainments. But, gentlemen, let me call your attention to the fact that we must have revenue. I had a letter from the Secretary of the Treasury this morning which I will put in the Record. I would like to have the attention of the gentlemen on my left, although I do not care about their attention particularly if they will not disturb me in talking to this side, in case they do not want to hear what I have to say. The Secretary of the Treasury this morning sent me an estimate, or a part of an estimate, which I have inserted in the Record to-day, as I have all estimates sent to me by the Secretary of the Treasury. He estimates that out of the income tax under the present bill there will be a loss of \$483,000,000 for the calendar year 1925 and that under the rates of the so-called Mellon plan there would be a loss of \$350,000,000, a mere mistake over his first estimate of \$130,000,000.

I hope the committee will not cut out all of these taxes, so that the country will get the idea that we have a deficit in this bill.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HAWLEY. Mr. Chairman, when the committee was considering the bill, after long examination and hearings of a week, we concluded that we could safely assign about \$110,000,000 of the reduction to be effected to a reduction in the excise taxes. We then went through the list of excise taxes and selected those in which the industries affected by them were being injured by the taxes imposed. We took up the question of the admissions tax and we propose in this bill to reduce the tax on admissions, including the seating tax, some \$33,000,000. That was a fair apportionment of the reduction to this industry, and it relieved the most necessitous cases.

Under the bill a person paying \$4 for a theater ticket will pay 40 cents. Under the proposal of the gentleman from Illinois [Mr. RAINEY] a person will pay 20 cents, and that will reduce the taxes on this industry \$51,000,000 out of \$70,000,000 collected.

Now, the amendment of the gentleman from New York [Mr. LAGUARDIA], proposing that no tax shall be levied on admissions of \$1 or less, reduces the tax \$58,000,000, or \$25,000,000 more than the committee thought it could allot to this industry in comparison with and in justice and in fairness to all other industries. If we are to further reduce this tax we will not have money enough to effect reductions already proposed and we are by so much more reducing the revenue.

Mr. LONGWORTH. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. LONGWORTH. Which one of these amendments will result in the greatest reduction of revenue?

Mr. HAWLEY. The amendment offered by the gentleman from New York reduces it \$58,000,000, and the amendment offered by the gentleman from Illinois reduces it \$51,000,000, taking into account the reduction proposed by the committee.

The CHAIRMAN. All time has expired. The question is on the substitute offered by the gentleman from New York [Mr. LAGUARDIA].

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 39, noes 129.

So the substitute was rejected.

The CHAIRMAN. The question now recurs on the amendment offered by the gentleman from Illinois [Mr. RAINEY].

The question was taken, and the amendment was rejected.

Mr. RAINEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Illinois offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. RAINEY: After the word "any," in line 18, page 160, strike out the word "place" and insert the following: "theater or opera house where spoken drama or opera is produced, to any Chautauqua or lyceum program or to any lecture."

Mr. RAINEY. Mr. Chairman, the effect of this amendment is to make the proposed tax of 1 cent for each 20 cents apply only to theaters where spoken drama is produced or to operas or to Chautauqua or lyceum programs or to lectures; that is all. The other entertainments will be still subjected to existing rates, including prize fights.

Mr. LONGWORTH. Would the gentleman be willing to include concerts?

Mr. RAINEY. I accept that amendment, "or concerts." I thank the gentleman.

Now, in my time, I ask to be read a letter addressed to the Ways and Means Committee by one of the greatest playwrights and dramatic writers of this generation.

Mr. YOUNG. Mr. Chairman, has not all time for debate on this amendment been exhausted?

The CHAIRMAN. No.

Mr. GREEN of Iowa. Did the gentleman intend to exempt prize fights?

Mr. RAINEY. Yes; the prize fights can pay all the tax you may put on them.

Mr. BACHARACH. Does the gentleman include baseball?

Mr. RAINEY. No, sir.

The Clerk read as follows:

FEBRUARY 5, 1924.

From: Augustus Thomas.

To: Ways and Means Committee, House of Representatives.

Subject: Re amusement tax.

GENTLEMEN: I am addressing this note to each member of the Ways and Means Committee. In doing so, I ask you not to mistake an effort at brevity for indifference. I write rather than project my nuisance value in personal calls.

I believe that the committee's present decision to remove the amusement tax from tickets of 50 cents and under is a mistake, for the following reasons:

1. It favors the motion picture almost exclusively as against the spoken drama.
2. It not only fails to relieve the spoken drama but adds to its burden, because it increases the advantage of the mechanical reproduction over the personal human attempt.
3. It invites the implication that the poor are not intelligent—the presumption that the motion picture is their preference.
4. It overlooks the historical value of the spoken drama, which the printer can preserve indefinitely, in favor of the celluloid picture, relatively ephemeral and relatively mute. An illuminating parallel would be to change a Member's "leave to print" in the CONGRESSIONAL RECORD to a leave to print only his portrait—perhaps, even while speaking.

5. As a tax reduction, it is not scientific. If the intention is to take from the \$80,000,000 present amusement tax \$33,000,000, or approximately, 40 per cent, the result can be more accurately devised by reducing the present 10 per cent tax to 6 per cent.

I respectfully submit that it is safer to reduce a patient's weight by training down all over than by any amputation. And in this case a horizontal reduction would be an acknowledgment of impartiality, whereas, a bloc detachment, discriminating against the higher sections of the business, has a punitive color that can not be in the committee's intentions, despite provocations by speculators.

I ask the committee to remember that, in asking for this consideration of the industry or profession, I do not have in mind the interest of managers or producers so much as I have the welfare of the people at large, who want the spoken drama and the better kinds of music as unhampered as the public safety will permit.

I had hope for unanimous consent to present this at the full meeting of the committee, feeling that five minutes so endured by them might conserve as many hours of further adjustment in the House, the Senate, and in the conference committees.

Respectfully yours,

AUGUSTUS THOMAS.

Mr. RAINEY. Mr. Chairman, I just want to add that the loss in revenue here will be negligible.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. GREEN of Iowa. Mr. Chairman, this amendment presents the greatest case of reversing I ever knew. The fact of the matter is the gentleman is doing just the opposite from what he really intends. This puts the tax load on the very objects he is trying to exempt and exempts prize fights and movies and all such things as that.

Mr. RAINEY. No; it does not accomplish anything of the kind.

Mr. TILSON. Oh, yes; it is perfectly plain that it does.

Mr. CHINDBLOM. The language is taxing only the things that are mentioned.

Mr. HAWLEY. Mr. Chairman, the bill at present reads that a tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any place on or after such date, and the gentleman's amendment—

Mr. RAINEY. Mr. Chairman, may I modify my amendment so that there will be no misunderstanding about it?

Mr. HAWLEY. The gentleman's amendment provides "a tax of 1 cent for each 10 cents or fraction thereof of the amount paid for admission to any theater where the spoken drama," and so forth—I can not recall all of it—and all other things, including prize fights and movies, are exempted from the tax and only the things the gentleman names are taxed.

Mr. RAINEY. Mr. Chairman, I would like to modify my amendment. I think the gentleman is right about that. I would like to modify my amendment so that it will read "any place except theaters," and so forth.

The CHAIRMAN. The gentleman from Illinois asks unanimous consent to modify his amendment. The Clerk will report the modification for the information of the committee.

Mr. HAWLEY. I ask, Mr. Chairman, that the paragraph as amended be read.

The CHAIRMAN. Without objection, the paragraph will be read as amended by the proposed amendment of the gentleman from Illinois.

The Clerk read as follows:

Amendment by Mr. RAINEY: Page 160, line 18, after the word "place," insert: "Except theater or opera house where spoken drama or opera is produced, to any Chautauqua or lyceum program or to any lecture or concert."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois.

The question was taken, and the amendment was rejected.

Mr. BLANTON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. BLANTON: Page 160, line 21, strike out "50" and insert in lieu thereof "20."

Mr. BLANTON. Mr. Chairman, if my amendment is adopted every 20-cent picture show in the United States will be exempt from tax, and only the ones charging admission fee above 20 cents will be taxed under the provisions of this bill. If you adopt my amendment you will add to this bill approximately \$18,000,000 in taxes. In other words, you add about \$18,000,000 to the taxes provided in this bill. If you want to raise revenue you can do it by this amendment without hurting the poor people who want to go to picture shows. They can not go to the 20-cent shows as they exist now without being taxed. Let me apply this amendment to the situation in Washington, because the situation is practically the same all over the United States. Take the 50-cent picture shows here in town, like the Rialto or the Metropolitan or the Columbia or the Palace, and such picture shows at 50 cents would still pay the tax, which they ought to do; but we have at least fifteen 20-cent picture shows scattered all over Washington, and after a picture is once shown at these 50-cent places it then goes to these other picture houses scattered over town and the same 50-cent picture is shown to the people for 20 cents, so that they get the benefit of it. They get to see the same identical 50-cent picture at the 20-cent shows that the people pay 50 cents for at the places I have mentioned.

Mr. CHINDBLOM. Is the gentleman altogether forgetting the lectures and the concerts which are usually priced at 50 cents?

Mr. BLANTON. There have been very few of them that I have attended that have been under \$1 or \$1.50 or \$2. I want to say that if you can show me any concert that is staged now for 50 cents I will show you one that is not much account, and

the people do not want to go to it. The ones that are good are charging as much as 75 cents, \$1, \$1.50, and \$2, and I say that the people who go to them ought to pay the tax, and I am not in favor of reducing the tax on the higher-priced ones. The ones who are able to go to the high-priced ones, let them pay the tax; but there is a reason for taking the tax off the 20-cent picture shows. It is in behalf of the people of moderate circumstances, who are not able to pay more. If you want to raise this \$18,000,000 additional revenue, vote for this amendment. If you do not want to raise it, vote against it.

Mr. TREADWAY. Mr. Chairman—

Mr. BLANTON. If the member of the Ways and Means Committee wants the floor, I will yield to the gentleman, as no other Member of the House has a right to take the floor if my distinguished friend from Massachusetts wants it.

Mr. TREADWAY. The facetiousness of the gentleman from Texas is illuminating, but he knows that I would not intrude on his rights. I supposed that his time had expired and that he had yielded the floor.

Mr. BLANTON. I am through, anyway, and gladly yield the floor.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in five minutes.

Mr. RAINEY. Will the gentleman make it 10 minutes?

Mr. GREEN of Iowa. I will make it 10 minutes, Mr. Chairman.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this amendment and amendments thereto close in 10 minutes.

The question was taken, and the motion was agreed to.

Mr. TREADWAY. Mr. Chairman, I move to amend the amendment offered by the gentleman from Texas [Mr. BLANTON] by striking out "20," in line 21, and making it "75" cents.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Mr. TREADWAY moves to amend the amendment offered by Mr. BLANTON by striking out "20" and inserting "75"

Mr. TREADWAY. Mr. Chairman, a 75-cent exemption seems to me in a partial way to take care of the admissions to the spoken drama, referred to this afternoon. There is perhaps no theater where there are not some seats at 75 cents. If a person really wants that intellectual opportunity that our friend from Illinois describes, an educational opportunity, actually desires to attend the spoken drama, they can do so for 75 cents. I was in favor of this in the committee and I am still in favor of the exemption of the tax on admission prices. Seventy-five cents will not get into the prize ring nor other places that we do not want to exempt from taxation. It will mean a difference in the bill of \$10,000,000. Last year under the taxes provided in the bill the revenue was \$33,000,000, and the loss under this amendment would be \$10,000,000. I think we can very well make the amount of the exemption at 75 cents.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Massachusetts.

The question was taken and the amendment to the amendment was rejected.

The CHAIRMAN. There are still five minutes of time left.

Mr. RAINEY. Mr. Chairman, I offer the following amendment to the amendment. After the section add the proviso—

Mr. BEGG. Mr. Chairman, there is a motion pending before the House.

The CHAIRMAN. There is an amendment pending.

Mr. RAINEY. Very well; I will withdraw my amendment and offer it after the amendment is disposed of.

Mr. LOWREY. Mr. Chairman, I want to offer a substitute for the amendment of the gentleman from Texas.

The Clerk read as follows:

Amendment by Mr. LOWREY as a substitute: Page 160, lines 21, 22, after the word "admission" at the end of line 20, strike out the semicolon and insert a period, and then omit all of lines 21 and 22.

Mr. LOWREY. Mr. Chairman, it seems to me that we have got the whole matter into a kind of a tangled web. The proposition of my friend from Texas is to cut down the amount to 20 cents. That would mean that all the cheapest shows—the shows in which there would be the least improvement and the least culture—should be free from tax and encouraged.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. LOWREY. Yes.

Mr. CHINDBLOM. Under the gentleman's amendment the tax on a 5-cent admission would be half a cent.

Mr. LOWREY. They would not put it as low as 5 cents.

Mr. CHINDBLOM. But there are 5 cents admissions.

Mr. LOWREY. If we are going to encourage anything, I fully agree with the proposition to encourage the entertainment that will really appeal to the literary and cultural side of the people and mean something to them. It seems to me that the bill as it stands encourages the cheaper shows, those that there would be less culture in, and taxes those that are more cultural.

But I believe that they are all in a sense a luxury. And I believe in the principle of taxing luxuries rather than necessities. The gentleman from Texas said that if we make these changes, if we cut off this revenue, we must put it on somewhere else. I do not know where we could put on a tax better than to put it on the luxuries. I believe in making such revenues as are possible out of chewing gum, candy, soft drinks, admissions to places of amusement, and those things that are absolutely luxuries. They may have some value, of course, for recreational purposes, but at least they do not stand where necessities stand. Therefore I simply offer the amendment to go back to where we were and make no distinction, and let them stand on the same basis and tax all picture places and places of amusement.

Mr. CHINDBLOM. Since the gentleman is about through, I want to say that there are 5-cent admissions in some of the big cities for children in the galleries, and that at amusement parks there are 5-cent admissions. Of course, the gentleman's proposal would mean that they would have to charge an additional penny in order to collect the tax of half a cent.

Mr. LOWREY. I am willing to let it stand in that way.

The CHAIRMAN. The question is on the amendment to the amendment offered by the gentleman from Mississippi. The amendment to the amendment was rejected.

The CHAIRMAN. The question now is on the amendment of the gentleman from Texas [Mr. BLANTON].

The question was taken, and the amendment was rejected.

Mr. RAINEY. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment by Mr. RAINEY: Page 162, at the end of line 14, add the following:

"Provided, That no tax shall be imposed upon admissions to chautauqua or lyceum programs or to any lectures or concerts."

Mr. BLACK of Texas. Mr. Chairman, I make the point of order that the proviso is not germane to the paragraph, which deals with admissions to roof gardens, cabarets, and other similar entertainments.

Mr. BLANTON. I make the further point of order that this matter has been voted on once before where an attempt was made to exempt these same matters enumerated in the amendment of the gentleman from Illinois, and it was voted down.

Mr. RAINEY. Oh, the gentleman is mistaken. This simply attempts to exempt lectures, concerts, chautauqua programs, and lyceum programs. This provides that none of the five preceding paragraphs shall so operate as to provide for admission taxes to lectures, concerts, lyceums, or chautauquas.

Mr. BLANTON. I remind the Chair that in the amendment which sought to exempt the spoken drama, it also embraced all of these matters.

Mr. TILSON. Mr. Chairman, it is very clear that the committee has never voted this proposition down, and the omission of the words "spoken drama" makes it an entirely new amendment.

The CHAIRMAN. This amendment is offered at the end of paragraph (a). Paragraph (a) begins on page 160 and ends on page 162, with line 15. That is what constitutes the paragraph. The amendment is offered as an amendment to that paragraph as a proviso. That paragraph includes all kinds of entertainments, not only cabarets and roof gardens but almost everything else embraced in the realm of entertainment. The Chair thinks the amendment is germane to the paragraph and overrules the point of order.

The question is on the amendment offered by the gentleman from Illinois.

The question was taken; and on a division, the Chair having announced himself in doubt, there were—ayes 47, noes 112.

Mr. RAINEY. Mr. Chairman, I call for tellers.

The CHAIRMAN. The gentleman from Illinois demands tellers. All in favor of ordering tellers will rise and stand until

counted. [After counting.] Four Members have risen, not a sufficient number, and tellers are refused.

So the amendment was rejected.

Mr. WINGO. Mr. Chairman, I ask unanimous consent to extend my remarks in the Record by printing therein a letter from the governor of the Federal Reserve Board, with the exhibits, showing the effect of the proposal to require Federal reserve banks to pay 2 per cent interest on reserve balances.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection? [After a pause.] The Chair hears none, and the Clerk will read.

Mr. HOWARD of Nebraska. Mr. Chairman, I might object—I do not know—if I had a chance.

Mr. BLANTON. Mr. Chairman, I make the point of order that when a gentleman is on his feet trying to get the attention of the Chair during the submission of a unanimous consent request he should be given the opportunity to object.

The CHAIRMAN. If the gentleman from Nebraska was trying to address the Chair at the time the Chair was putting the unanimous-consent request, the Chair will recognize him. The Chair will again put the request. The gentleman from Arkansas asks unanimous consent to extend his remarks in the Record in the manner indicated. Is there objection?

There was no objection.

The letter referred to is as follows:

FEDERAL RESERVE BOARD,
OFFICE OF THE GOVERNOR,
Washington, February 13, 1924.

Hon. OTIS WINGO,

House of Representatives, Washington, D. C.

MY DEAR MR. CONGRESSMAN: Pursuant to our telephonic conversation, I am inclosing for your information a copy of statements showing the net earnings of the Federal reserve banks for 1921, 1922, and 1923, and what would happen if 2 per cent interest were paid by the banks on realized balances to member banks.

You will note in 1923 the Federal reserve banks of the whole system would have lost, to be exact, \$24,738,854, and in addition they could have paid no dividend, could have set apart no surplus, nor pay any franchise tax; whereas in 1922 the 12 Federal reserve banks would have lost \$19,124,764 and only one bank in the system could have paid any part of its dividend; that was the bank at Philadelphia, which could have paid \$120,976 on its dividend. You will note that none of the banks would have been able to have paid dividend, surplus, or franchise tax. In 1921 the banks could have paid 2 per cent interest, amounting to \$33,457,380, but this was one of the unusual years that came about by financing the war and when the banks were imposing a 6 per cent and 7 per cent rediscount rate, which, as you know, was not very popular.

In my opinion, an attempt to pay 2 per cent interest on deposits is wrong in principle and should not be imposed upon the banks. If it should be imposed the Federal reserve banks will have to buy paper in the open market in competition with member banks and nonmember banks in order to make its dividend, interest, and expenses. I think you will agree that such practice would be detrimental to the individual banks.

It must be borne in mind well that at the time the banks were making these big profits it was while they were financing the war, and it should not be used as a pretext for the passage of an act to provide for 2 per cent interest on realized balances.

I am also handing you an analysis of the statements which will be self-explanatory.

Very truly yours,

D. R. CRISSINGER, Governor.

Average daily reserve balances of member banks with the Federal reserve banks during 1923 aggregated \$1,872,000,000. It is apparent, therefore, that to pay interest at 2 per cent per annum on member bank reserve balances would have necessitated the Federal reserve banks earning approximately thirty-seven and one-half millions in excess of operating expenses and dividend requirements. During 1918, 1919, 1920, and 1921, when borrowings at the Federal reserve banks were at an unprecedented level because of the large demands for credit due to war conditions, the Federal reserve banks might have paid interest on member banks' reserve deposits and at the same time paid a franchise tax to the Government. During the past two years, however, when conditions have been more normal, borrowings from Federal reserve banks and consequently their net earnings have been on a greatly reduced scale. Net earnings of the banks during 1923 amounted to \$12,700,000, while 2 per cent on reserve deposits of member banks would have amounted to about \$37,450,000, or three times the net earnings. Of the net earnings of \$12,700,000, \$6,500,000 went to mem-

ber banks to pay the 6 per cent dividend on their capital stock and the balance was divided between the surplus accounts of the Federal reserve banks and the Government in the form of a franchise tax. Approximately the same results are shown for 1922, in which net earnings of the Federal reserve banks were \$16,500,000, while 2 per cent interest on reserve deposits of member banks would have amounted to \$35,600,000.

It is apparent from these figures that in normal times Federal reserve banks could not pay 2 per cent interest on reserve balances out of their current earnings.

It should also be borne in mind that any payment to the member banks in the form of interest on their reserve balances will affect matu-

rially the amounts paid to the United States Government as a franchise tax. During 1921, for example, the Government was paid a franchise tax of \$63,100,000. If member banks had been paid 2 per cent interest on their reserve balances, the Government would have received only \$33,800,000 as a franchise tax. In 1922 and 1923, however, when earnings of the reserve banks were on a much lower level and comparatively small portions of the 2 per cent interest on reserve balances of member banks could have been paid by the respective Federal reserve banks, the Government would have received no franchise tax, unless the Federal reserve act were so amended as to require the payment of a franchise tax to the Government before the payment of any interest to member banks on their reserve balances.

Net earnings of Federal reserve banks, distribution thereof, and effect upon such distribution if 2 per cent interest were paid on reserve deposits of member banks.

YEAR 1921.

Federal reserve bank.	Net earnings.	Actual distribution of net earnings.			Amount required to pay 2 per cent interest on reserve deposits of member banks.	Net earnings after payment of 2 per cent interest on reserve deposits of member banks.			
		Dividends paid.	Transferred to surplus. ¹	Franchise tax paid. ¹		Total.	Available for—		
							Dividends.	Surplus.	Franchise tax.
Boston.....	\$4,281,353	\$473,109	\$524,974	\$3,283,270	\$2,195,080	\$2,086,273	\$473,109	\$305,467	\$1,307,697
New York.....	26,093,832	1,608,721	2,448,511	22,036,600	13,122,820	12,971,012	1,608,721	1,136,239	10,226,052
Philadelphia.....	5,339,454	517,663	898,873	3,922,918	2,024,100	3,315,354	517,663	696,463	2,101,228
Cleveland.....	6,284,383	660,228	2,329,442	3,294,713	2,766,520	3,317,863	660,228	2,032,790	804,845
Richmond.....	4,393,627	322,203	673,333	3,398,091	1,069,540	3,324,057	322,203	899,380	2,435,504
Atlanta.....	5,496,219	245,862	586,477	4,663,880	879,740	4,616,479	245,862	469,503	3,902,114
Chicago.....	14,595,117	853,785	1,365,133	12,286,199	4,764,490	9,740,657	853,785	888,687	7,998,185
St. Louis.....	2,951,926	270,253	1,042,564	1,639,109	1,242,860	1,709,006	270,253	918,277	520,536
Minneapolis.....	3,161,154	211,657	496,107	2,363,390	843,360	2,307,794	211,657	351,721	1,744,369
Kansas City.....	3,056,096	268,620	278,748	2,508,728	1,416,340	1,639,756	268,620	137,114	1,234,022
Dallas.....	1,613,564	252,211	1,361,353	947,898	881,980	731,584	252,211	479,373	1,511,718
San Francisco.....	4,920,500	435,361	947,898	3,537,241	2,250,580	2,609,920	435,361	722,841	1,511,718
Total.....	82,087,225	6,119,673	12,863,413	63,104,139	33,457,380	48,629,845	6,119,673	8,723,805	33,786,277

YEAR 1922.

Boston.....	\$1,007,402	\$481,951	\$76,568	\$538,883	\$2,371,260	-\$1,273,858			
New York.....	3,731,693	1,632,138	206,946	1,862,509	13,979,820	-10,258,227			
Philadelphia.....	2,236,876	541,532	839,960	855,364	2,115,900	120,976	\$120,976		
Cleveland.....	2,298,688	692,436	861,264	714,988	2,794,600	-325,812			
Richmond.....	867,448	333,321	53,413	480,714	1,123,100	-235,652			
Atlanta.....	672,730	256,618	41,611	374,501	958,630	-285,870			
Chicago.....	1,405,215	876,203	82,901	478,111	5,067,340	-3,692,125			
St. Louis.....	647,572	283,166	276,450	87,956	1,299,880	-652,308			
Minneapolis.....	782,695	213,774	56,892	512,029	891,980	-109,285			
Kansas City.....	785,036	275,635	50,738	458,643	1,538,760	-753,724			
Dallas.....	354,125	251,915	102,210	121,205	953,360	-599,235			
San Francisco.....	1,660,356	448,806	121,205	1,090,345	2,498,000	-837,644			
Total.....	16,497,736	6,307,035	2,740,158	7,450,543	35,623,800	-19,124,764	120,976		

YEAR 1923.

Boston.....	\$1,252,135	\$480,267	\$77,187	\$694,681	\$2,516,440	-\$1,264,305			
New York.....	3,043,679	1,749,239	129,444	1,164,996	13,787,240	-10,743,561			
Philadelphia.....	2,177,837	832,292	1,178,588	416,957	2,282,000	-105,063			
Cleveland.....	921,221	725,626	185,505	185,505	3,167,400	-2,246,179			
Richmond.....	1,692,843	342,245	381,404	269,144	1,216,580	-123,737			
Atlanta.....	352,179	264,622	8,756	78,501	1,088,840	-736,661			
Chicago.....	1,178,353	904,371	27,308	246,586	5,512,720	-4,334,365			
St. Louis.....	1,182,163	296,810	407,070	478,283	1,399,500	-217,337			
Minneapolis.....	325,435	212,733	11,272	101,460	955,629	-630,165			
Kansas City.....	347,711	275,313	7,210	65,158	1,611,200	-1,263,489			
Dallas.....	332,282	251,429	80,833	1,040,439	708,138	-332,282			
San Francisco.....	565,426	467,720	87,706	87,706	2,871,280	-2,305,854			
Total.....	12,711,298	6,562,717	2,545,513	3,613,036	37,450,140	-24,738,854			

¹ As adjusted on Dec. 31, 1922, by charging to surplus account and paying to the Government an additional franchise tax for 1921.

Minus sign (-) indicates that the amount required to pay 2 per cent interest on reserve deposits of member banks exceeded net earnings by the amount shown.

The Clerk read as follows:

(b) No tax shall be levied under this title in respect of (1) any admissions all the proceeds of which inure (A) exclusively to the benefit of religious, educational, or charitable institutions, societies, or organizations, societies for the prevention of cruelty to children or animals, or societies or organizations conducted for the sole purpose of maintaining symphony orchestras and receiving substantial support from voluntary contributions, or of improving any city, town, village, or other municipality, or of maintaining a cooperative or community center moving-picture theater—If no part of the net earnings thereof inures to the benefit of any private stockholder or individual; or (B) exclusively to the benefit of persons in the military or naval forces of the United States; or (C) exclusively to the benefit of persons who have served in such forces and are in need; or (D) exclusively to the benefit of posts or organizations of war veterans, or auxiliary units or societies of any such posts or organizations, if such posts, organizations, units, or societies are organized in the United States or any of its possessions, and if no part of their net

earnings inures to the benefit of any private stockholder or individual; or (2) any admissions to agricultural fairs if no part of the net earnings thereof inures to the benefit of any stockholders or members of the association conducting the same, or admissions to any exhibit, entertainment, or other pay feature conducted by such association as part of any such fair, if the proceeds therefrom are used exclusively for the improvement, maintenance, and operation of such agricultural fairs.

Mr. SEARS of Florida. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Page 163, line 9, after the semicolon, insert: "or (E) exclusively to the benefit of members of the police or fire departments of any city, town, village, or other municipality, or the dependents or heirs of such members."

Mr. GREEN of Iowa. Mr. Chairman, unless some member of the committee has objection, I will accept this amendment.

Mr. YOUNG. I have objection. There are too many of them in there now.

Mr. SEARS of Florida. Mr. Chairman, I do not want to take up the time of the committee. The facts are as follows: On last New Year's Day the firemen and the policemen of Jacksonville, Fla., gave an exhibition for the benefit of the disabled and retired firemen and policemen and for their wives and orphans. It was purely a charitable exhibition. No war tax was charged. In October, before giving this exhibition, they asked the Treasury Department to tell them whether any tax would be required. In November they again asked if any tax would be required.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. SEARS of Florida. Yes.

Mr. BEGG. Was this carnival supervised and put on by one of these professional concerns that travel about, drumming up that sort of business?

Mr. SEARS of Florida. I shall come to that in a moment. On December 27 they took it up again with the Treasury Department, and on the 29th of December, just before New Year's Day, they were notified that a tax would be required, but in the meantime nearly all of the tickets had been allotted or sold, and, as I understand, no war tax was charged.

The field day was under the direct supervision of the city commissioners of Jacksonville, and my information is City Commissioner Fred Valz was the chairman. The city commissioners of Jacksonville, under a State law, are permitted to assess a tax against her citizens to take care of these people, but the funds were not sufficient, so they held this field day and expect to make same an annual event. I have here a list of the retired and disabled firemen and policemen and the list of the widows and minors, showing 26 in the police department and 17 in the fire department.

For the benefit of my good friend from Ohio [Mr. BEGG] I will illustrate. Two hundred tickets would be allotted a business man of Jacksonville. They would simply take those tickets to help out the firemen and policemen, because they appreciated what they did for them. This was purely a charitable proposition. The policemen and firemen simply staged this exhibition. One of the policemen would engage in a boxing match with a fireman, and so on. Many hundreds of people in Jacksonville bought tickets, but did not attend the performance; they simply bought the tickets to indicate their appreciation of what the firemen and policemen were doing. But the Treasury Department held that it was not purely a charitable entertainment, as some were on the retired list, and therefore the tax should have been collected. I understand the Treasury officials now realize that the tax should not have been imposed on such exhibitions as that referred to. I do not hesitate to state it was not my intention to tax same, and I do not believe it was the intention of Congress. But unless my amendment is adopted, in view of the ruling of the department, next year those who desire to assist the policemen and firemen must pay the tax.

So often we forget those who help us. These men risk their lives to save our lives and protect our property, and I sincerely trust my amendment will be adopted. If it is adopted, it will not only help this charitable cause—or benevolent, if you desire to so call it—at Jacksonville, Fla., but will also apply to every town or city.

I think, in fairness to those of the department who have handled this matter, I should say they have been very courteous to me.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on the amendment and all amendments thereto close in five minutes.

Mr. BLACK of Texas. I have an amendment to offer.

The CHAIRMAN. Does the gentleman from Iowa make his motion?

Mr. GREEN of Iowa. Yes; that all debate on this amendment and all amendments thereto close in five minutes.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this amendment and all amendments thereto close in five minutes. The question is on agreeing to that motion. The motion was agreed to.

Mr. BLACK of Texas. Mr. Chairman, I have an amendment which I offer to the Sears amendment. At the end of the Sears amendment add "and if no part of their net earnings inures to the benefit of any private stockholder or individual."

Mr. SEARS of Florida. That is covered in my amendment.

Mr. BLACK of Texas. What is the language of the gentleman's amendment in that respect?

Mr. SEARS of Florida. I will ask, Mr. Chairman, that my amendment be again read.

The CHAIRMAN. The Clerk, without objection, will again report the amendment.

Mr. BLACK of Texas. I would like to have my amendment read first, and then the amendment offered by the gentleman from Florida.

Mr. GREEN of Iowa. Mr. Chairman, I do not think the gentleman from Texas [Mr. BLACK] understood the amendment.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. BLACK of Texas to the amendment offered by Mr. SEARS of Florida: At the end of the Sears amendment add "and if no part of their net earnings inures to the benefit of any private stockholder or individual."

Mr. GREEN of Iowa. No stockholder is concerned at all.

Mr. BLACK of Texas. Mr. Chairman, may we have the Sears amendment reported?

The CHAIRMAN. Without objection, the Clerk will report the Sears amendment, with the amendment of the gentleman from Texas added to it.

The Clerk read as follows:

Amendment offered by Mr. SEARS of Florida: Page 163, line 9, after the semicolon, insert "or (E) exclusively to the benefit of the members of the police or fire department of any city, town, village, or other municipality, or the dependents or heirs of such members; and if no part of their net earnings inures to any private stockholder or individual."

Mr. BLACK of Texas. The reason I offered the language is to make it conform to the other exceptions in the bill.

Now, I am not sure at all but what if the amendment offered by the gentleman from Florida is adopted, one of these entertainments could come along and advertise that it is for the benefit of the firemen and policemen and take a part of the proceeds for their private individual benefit, and I have offered identically the same language in order to protect the Treasury against an instance of that kind. I think we ought to do it.

Mr. HAWLEY. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. HAWLEY. The provision requires that it shall be exclusively for the benefit of the policemen and firemen.

Mr. BLACK of Texas. Yes; but that is language that I am not certain would preclude a division of the proceeds.

Mr. HAWLEY. If I understand the amendment of the gentleman correctly, or any part of it, it is to forbid the payment to individuals. I just heard the amendment read. It is hard to know what application would be had.

Mr. BEGG. Mr. Chairman, will the gentleman yield?

Mr. BLACK of Texas. Yes.

Mr. BEGG. In your amendment you provide that no part of the proceeds shall inure to any individual?

Mr. BLACK of Texas. Yes.

Mr. BEGG. Could they not easily evade that by hiring a man and putting him in as an expense?

Mr. BLACK of Texas. They could probably do that in any of these other provisions of the bill. The only purpose I had in offering the amendment was to make it conform to the several paragraphs under discussion.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield for a statement?

Mr. BLACK of Texas. Yes.

Mr. CHINDBLOM. All the way through the bill we have used the word "shareholder" where stockholder is meant. It would be in conformity to the bill if the gentleman would change his amendment from "private stockholder" to "shareholder."

Mr. BLACK of Texas. My amendment is in the same language as the language of the paragraph under discussion.

Mr. CHINDBLOM. In the old bill?

Mr. BLACK of Texas. No; in the present bill.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Texas [Mr. BLACK] to the amendment offered by the gentleman from Florida [Mr. SEARS].

The question was taken, and the amendment to the amendment was rejected.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Florida.

The amendment was agreed to.

Mr. WATRES. Mr. Chairman, I desire to offer an amendment on page 163, line 4.

The CHAIRMAN. The gentleman from Pennsylvania offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WATRES: Page 163, line 4, after the words "benefit of," insert "National Guard organizations."

Mr. GREEN of Iowa. Mr. Chairman, speaking for myself—I have not had time to consult the committee—I will personally accept the amendment.

The CHAIRMAN. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. KNUTSON. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Minnesota offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. KNUTSON: Page 163, line 14, strike out the words "as part of any such fair."

Mr. KNUTSON. Mr. Chairman, there are in this country a number of county fairs that were organized and are being conducted for the purpose of stimulating interest in agriculture. These fairs hang up a large number of prizes each year for livestock and farm products. A number of them have been conducted at a loss in the past few years, and they are giving entertainments during the winter months, the proceeds from which are covered into the treasury for the purpose of making up deficits made in the past.

I am sure there could be no objection to this amendment. The aggregate amount which the Federal Treasury would lose from the adoption of my amendment certainly could not be large, and I think if we adopt it it will result in putting all of these agricultural fairs on a sounder financial basis.

Mr. GREEN of Iowa. Mr. Chairman, I sympathize with the purpose of my friend from Minnesota, and I would be very glad to agree to this amendment if I did not fear it could be so easily abused and afford opportunity for evasion. Therefore I hope the amendment will be voted down.

Mr. KNUTSON. Mr. Chairman, have I used all of my time?

The CHAIRMAN. The Chair understood that the gentleman yielded the floor.

Mr. KNUTSON. I just yielded to the gentleman from Iowa. How can there be any evasion of this tax, any more than there can be an evasion of any other tax? The proceeds of these entertainments are covered into the fair treasury; no individuals are on the pay rolls of those fairs, consequently no individual will benefit from such entertainments. The fair as a whole and the community wherein the fair is situated are the beneficiaries.

Mr. GREEN of Iowa. Answering the question of the gentleman from Minnesota, I wish to say that we have given these fairs every advantage. So long as the entertainments are a part of the fairs we do not impose any tax on them.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Minnesota.

The question was taken; and on a division (demanded by Mr. KNUTSON) there were—ayes 47, noes 65.

Mr. KNUTSON. Mr. Chairman, I ask for tellers.

The CHAIRMAN. The gentleman from Minnesota demands tellers. Those in favor of ordering tellers will rise and stand until counted. [After counting.] Nine Members have risen, not a sufficient number, and tellers are refused.

So the amendment was rejected.

Mr. HILL of Maryland. Mr. Chairman, I offer an amendment. On page 163, line 4, after the words "National Guard organizations," which were just inserted, insert the words "Reserve officers' associations or organizations." That simply puts reserve officers' associations or organizations on the same footing with National Guard associations.

The CHAIRMAN. The gentleman from Maryland offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. HILL of Maryland: At the end of the amendment just adopted, in line 4, on page 163, add the following: "Reserve officers' associations or organizations."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. HILL].

The question was taken; and on a division (demanded by Mr. HILL of Maryland) there were—ayes 66, noes 30.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

(d) The price (exclusive of the tax to be paid by the person paying for admission) at which every admission ticket or card is sold shall be conspicuously and indelibly printed, stamped, or written on the face or back of that part of the ticket which is to be taken up by the management of the theater, opera, or other place of amusement, together with the name of the vendor if sold other than at the ticket office of the theater, opera, or other place of amusement. Whoever sells an admission ticket or card on which the name of the vendor and price is not so

printed, stamped, or written, or at a price in excess of the price so printed, stamped, or written thereon, is guilty of a misdemeanor, and upon conviction thereof shall be fined not more than \$100.

Mr. McKEOWN. Mr. Chairman, I make the point of order that this provision is not within the jurisdiction of this committee.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. McKEOWN. The provision provides for a misdemeanor in the regulation of the sale of these tickets.

Mr. GREEN of Iowa. Mr. Chairman, the bill has been referred to the committee.

Mr. McKEOWN. I just want to call the attention of the committee to the fact that this is a taxing bill and should not contain anything in the nature of regulatory provisions, and this provision attempts to regulate and makes a violation of the regulations a misdemeanor.

Mr. GREEN of Iowa. Of course, the purpose of it is the collection of the tax.

Mr. McKEOWN. This committee has no right to provide penalties. That is a right which belongs to the Judiciary Committee.

Mr. GREEN of Iowa. This committee has been doing it ever since the organization of the Union.

Mr. McKEOWN. But that does not make it right.

The CHAIRMAN. The Chair finds that this was referred to the committee and the reference to the committee gives it jurisdiction. If a point of order is to be made, raising the jurisdiction of the committee to report a bill, it should be raised when the bill is reported to the House. The point of order is overruled.

Mr. RAMSEYER. Mr. Chairman, I move to strike out the last word in order to ask the chairman a question about paragraph (d).

Mr. GREEN of Iowa. On what page?

Mr. RAMSEYER. Page 163, at the bottom of the page which was just read. I want to know whether the regulation about printing and stamping these tickets applies only to tickets providing admissions to theaters where the taxes are imposed? In other words, is that regulation made mandatory upon the theaters which charge 50 cents and less?

Mr. GREEN of Iowa. I think it only applies to those where the tax is to be collected.

Mr. RAMSEYER. I wanted to be sure about that.

Mr. GREEN of Iowa. That is my understanding of the Treasury regulations.

The CHAIRMAN. The pro forma amendment is withdrawn and the Clerk will read.

The Clerk read as follows:

Sec. 501. On and after the date this title takes effect there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 801 of the revenue act of 1921, a tax equivalent to 10 per cent of any amount paid on or after such date, for any period after such date, (a) as dues or membership fees (where the dues or fees of an active resident annual member are in excess of \$10 per year) to any social, athletic, or sporting club or organization; or (b) as initiation fees to such a club or organization, if such fees amount to more than \$10, or if the dues or membership fees (not including initiation fees) of an active resident annual member are in excess of \$10 per year; such taxes to be paid by the person paying such dues or fees: *Provided*, That there shall be exempted from the provisions of this section all amounts paid as dues or fees to a fraternal society, order, or association, operating under the lodge system. In the case of life membership a life member shall pay annually, at the time for the payment of dues by active resident annual members, a tax equivalent to the tax upon the amount paid by such a member, but shall pay no tax upon the amount paid for life membership.

Mr. ROGERS of New Hampshire. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New Hampshire offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. ROGERS of New Hampshire: Page 164, line 24, after the word "system" insert a comma and the following: "or to any local fraternal organization among the students of a college or university."

Mr. GREEN of Iowa. Mr. Chairman, I have not had time to consult the members of the committee, but is there any objection to this?

Mr. GARNER of Texas. No; that is all right.

Mr. GREEN of Iowa. I will accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New Hampshire.

The question was taken, and the amendment was agreed to.

Mr. WATKINS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Oregon offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. WATKINS: Page 165, line 4, after the word "membership" strike out the period, insert a colon, and the following: "Provided, That there shall be exempted from taxation under this section all amounts paid as dues or membership fees where the amount so paid is \$50 or less per year to any institution or club organized and operated exclusively for social, recreational, educational, and other non-profitable purposes, not organized for profit, and no part of the earnings of which inures to the benefit of any private shareholder or individual."

Mr. WATKINS. Mr. Chairman, the amendment is very brief and very plain. Its object is the thing I want to explain for just a moment. You have exempted by this section 501 fraternal societies, orders, or associations operating under the lodge system. Section 231 exempts the club itself.

In Portland we have an athletic club. It is an amateur association for the young men, women, and children of that community. It is an educational institution. There they conduct various games and classes for the development of the youth of that community. The fees are less than \$50 and over \$10; the institution is a civic pride, an asset, a club where the families of the city commingle. It is not an athletic club in the sense of holding exhibitions and prize fights and things of that kind for profit, but it is an institution developing the youth, training them, and I hope the committee will adopt this amendment.

Mr. YOUNG. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. YOUNG. It is a social club, is it not?

Mr. WATKINS. It is a social organization—recreational, or rather educational, I should say.

Mr. YOUNG. We have a number of clubs of that kind in the United States that are required to pay a tax. Why do you want to fill this bill with continual exceptions and exemptions?

Mr. WATKINS. This is an educational association and ought to be exempt.

Mr. LAGUARDIA. Will the gentleman yield? How would the gentleman's amendment help the club?

Mr. WATKINS. The club now is having a very hard time in getting young men, women, and children there to join, because they will not pay the tax and the dues, and if we will eliminate the tax from these dues then the young men and the children will join; at least we will eliminate the thing that has been an obstacle.

Mr. YOUNG. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. YOUNG. Are there not a great many clubs of this character in the United States that are having a hard time to get members to join them on account of the fees?

Mr. WATKINS. Yes; I have letters from business men all over my State stating that conditions in this country are terrible and that we are having terribly hard times under this administration, but that does not alter this situation. Here is an educational institution for the young men and the young women and children of the community, and here you are exempting chewing gum, yachts, motor boats, dirks, and bowie knives. Why can not you give these educational institutions, like the one in Portland and in other cities for aught I know, some chance to develop the youth and the children of the community? I do not think the tax amounts to anything, so far as the total is concerned, but it is very material to an institution of this character. President Harding was out there, and this club gave over its grounds for the occasion, for which no charges were made. If you go to any other club of this sort, you have to pay, but this institution affords an opportunity for things I have mentioned, and I hope the committee will adopt the amendment. It is almost a life and death matter, so far as this wonderful institution is concerned.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. CHINDBLOM. Who pays the dues to this club?

Mr. WATKINS. The children and the young men—anyone a member. And by this act they have to pay the tax, too.

Mr. CHINDBLOM. Children pay \$50 a year?

Mr. WATKINS. It is about \$48 a year for regular members.

Mr. CHINDBLOM. And the children pay those dues?

Mr. WATKINS. Well, their parents pay them; yes, and whoever pays the dues must pay the tax. For the benefit of the House, before it takes action, I simply want to read a telegram from this institution. It is as follows:

Hon. ELTON WATKINS,

House of Representatives, Washington, D. C.:

Hundreds of young fellows in Multnomah Club at period of their lives when earnings are small are taxed 10 per cent of \$48 dues, though club is locally exempt, being an educational institution. Would you talk to Representative HAWLEY on Ways and Means Committee asking limit in new revenue bill be raised from \$10 to \$50 per year so as to confine tax to actual luxury clubs as really intended? Hard enough to finance and keep members in club without this handicap. Consider many like organizations and small community clubs over entire country unjustly taxed by present law. Please do your utmost to get limit raised from \$10 to \$50 per year.

Cordially,

MULTNOMAH AMATEUR ATHLETIC CLUB,
H. A. SARGENT, President.

Now, gentlemen, this is a most worthy cause. It is an institution Portland is proud of, and I voice the sentiment of everyone in that fair city when I urge you to eliminate the tax on membership dues.

Mr. OLDFIELD. Is your colleague Mr. HAWLEY with you on this proposition?

Mr. WATKINS. I hope so, but I doubt it. No; I understand he is not.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. WATKINS. Yes.

Mr. LAGUARDIA. Does the gentleman say that the members of this athletic club would pay \$48 a year and refuse to pay the extra \$4.80 tax?

Mr. WATKINS. They are up against it; they are unable to pay this additional sum.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this amendment and all amendments thereto close in five minutes.

Mr. GARNER of Texas. I move to amend that; I move that all debate and amendments thereto do now close.

The CHAIRMAN. The gentleman from Texas moves to amend the motion of the gentleman from Iowa by the provision that the debate now close.

The question was taken, and the amendment to the amendment was agreed to.

The motion as amended was agreed to.

The CHAIRMAN. The question now is on the amendment offered by the gentleman from Oregon [Mr. WATKINS].

The question was taken; and on a division (demanded by Mr. WATKINS) there were 29 ayes and 79 noes.

So the amendment was rejected.

The Clerk read as follows:

TITLE VI.—EXCISE TAXES.

SEC. 600. There shall be levied, assessed, collected, and paid upon the following articles sold or leased by the manufacturer, producer, or importer, a tax equivalent to the following percentage of the price for which so sold or leased—

(1) Automobile trucks and automobile wagons (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), 3 per cent.

(2) Other automobiles and motor cycles (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), except tractors, 5 per cent.

(3) Tires, inner tubes, parts, or accessories for any of the articles enumerated in subdivision (1) or (2), sold to any person other than a manufacturer or producer of any of the articles enumerated in subdivision (1) or (2), 5 per cent.

(4) Cameras weighing not more than 100 pounds and lenses for such cameras, 10 per cent.

(5) Photographic films and plates (other than moving-picture films and other than X-ray films or plates), 5 per cent.

(6) Firearms, shells, and cartridges, except those sold for the use of the United States, any State, Territory, or possession of the United States, any political subdivision thereof, or the District of Columbia, 10 per cent.

(7) Cigar or cigarette holders and pipes composed wholly or in part of meerschaum or amber, humidors, and smoking stands, 10 per cent.

(8) Automatic slot-device vending machines, 5 per cent; and automatic slot-device weighing machines, 10 per cent. If the manufacturer, producer, or importer of any such machine operates it for profit, he shall pay a tax in respect to each such machine put into operation equivalent to 5 per cent of its fair market value in the case of a vending machine and 10 per cent of its fair market value in the case of a weighing machine.

If any manufacturer, producer, or importer of any of the articles enumerated in this section customarily sells such articles both at

wholesale and at retail, the tax in the case of any article sold by him at retail shall be computed on the price for which like articles are sold by him at wholesale.

The taxes imposed by this section shall, in the case of any article in respect of which a corresponding tax is imposed by section 900 of the revenue act of 1921, be in lieu of such tax.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I offer the following amendment.

The Clerk read as follows:

Page 166, line 15, at the end of the line add the following: "Provided, That this paragraph (1) shall not apply to automobile trucks and automobile wagons (nor to the chassis thereof if sold separately) if the selling price of such chassis of such trucks or wagons is not in excess of \$1,000."

Also, page 166, line 23, strike out the figure "5" and insert in lieu thereof the figures "2½."

Mr. McLAUGHLIN of Michigan. Mr. Chairman, these two amendments have been submitted to the chairman of the Committee on Ways and Means and to the ranking Democratic member of that committee and have been approved. They are willing to accept them just as I have prepared them, so I think it will not be necessary to discuss them at length.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. LAGUARDIA. Your amendment exempts trucks and motors under \$1,000.

Mr. McLAUGHLIN of Michigan. It exempts trucks and automobile wagons if the chassis of them are sold not in excess of \$1,000.

Mr. LAGUARDIA. Would that affect the production of anybody but Henry Ford?

Mr. McLAUGHLIN of Michigan. Ninety per cent of the trucks and wagons of this country that are used by people themselves would be exempt.

Mr. LAGUARDIA. Are there any other makes that sell for less than \$1,000?

Mr. McLAUGHLIN of Michigan. I will read the gentleman a list of those that would be affected:

Buick, Chevrolet, Dodge, Ford, Dort, Gray, Durant, Mason, Maxwell, Overland, Olds, Reo, Star, and Vim.

It is not easy to learn with entire accuracy the selling price of chassis used in autotrucks and autowagons made by each and every one of these companies or by other companies, but I am confident I am speaking by the card when I say that all trucks and wagons of nearly every one of the companies I have named will be entirely exempt from taxation if my amendment shall be adopted, because the selling price of very nearly all chassis used in their trucks and wagons is not in excess of \$1,000. As to other companies in the list I have given, a large percentage of their trucks and wagons will be exempted, because a large percentage are equipped with chassis which sell for \$1,000 or less. You must understand the amendment I offer means that all autotrucks and autowagons, regardless of their other equipment and regardless of their selling price, will be entirely exempt from taxation if, and only if, the selling price of the chassis is not more than \$1,000. It is to be the selling price of the chassis that will determine whether or not a truck or wagon, no matter how it may otherwise be equipped, shall pay a tax.

That is, every truck or wagon will be exempt if its chassis sells for no more than \$1,000, and every truck and every wagon must pay the tax if its chassis sells for more than \$1,000.

With all who assisted and advised with me I have given earnest thought to every plan and suggestion as to the form and substance of an amendment proper and necessary to carry into effect our purpose in this matter, and all agree that the selling price of the chassis is the only safe and proper basis to be considered. Autotrucks and autowagons have upper works of every conceivable form, style, and value, but every chassis is much the same as every other chassis except size and carrying strength and motive power. These elements or qualities largely, if not altogether, determine the selling price of the chassis. It is intelligently estimated that a chassis which sells for not more than \$1,000 is the kind of chassis put into autotrucks and autowagons used by more than 90 per cent of all who carry, transport, or deliver their own products or their own goods. And I repeat that these are the people whom we wish by this amendment to benefit.

The amount of revenue that would be lost by the adoption of this amendment, as nearly as can be figured, is \$3,600,000 out of a total now collected of \$10,678,671.

Mr. SHERWOOD. What class of Overlands would it affect?

Mr. McLAUGHLIN of Michigan. All or nearly all of the Overlands would be exempt because the chassis of practically all Overland autotrucks and autowagons sell for \$1,000 or less.

Mr. DYER. What would be the amount in tax if we adopted the gentleman's amendment?

Mr. McLAUGHLIN of Michigan. The amount collected last year on all the autotrucks and autowagons was a little more than ten and one-half million dollars.

Mr. YOUNG. Will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. YOUNG. May I ask who made the estimates? They seem a little small.

Mr. McLAUGHLIN of Michigan. Estimates have been made by several gentlemen. They have come from several associations and organizations in the automobile and truck business, each one contributing his information, and they are practically in agreement, so I have accepted them as correct.

Mr. YOUNG. All these organizations that you read gave figures as to how it would affect their sales?

Mr. McLAUGHLIN of Michigan. No; each gave me data as to the entire autotruck and autowagon production and sales in this country. These organizations submitted statements, and my conclusion is that there were 370,000 autotrucks and autowagons manufactured in 1923, and that 262,500 of them used chassis the selling price of which was not more than \$1,000.

Mr. GREEN of Iowa. If I correctly understand the gentleman's amendment, the purpose is to exempt all of these lighter trucks that are operated for the owner's own use and not used to carry freight commercially.

Mr. McLAUGHLIN of Michigan. Yes; my own view of the matter is, and the opinion of a great many with whom I have talked is, that the exemption ought to be given to the trucks and automobile wagons that are used by the people themselves exclusively for their own use and benefit, excepting the very large and very expensive ones that are largely used commercially. This would include practically all of the farmers' autos, all of the grocers', the butchers', and other dealers in a town, all except the great wholesalers and coal dealers in the cities who use very heavy and expensive cars, and the estimate is that it would give relief to 90 per cent of those who are using automobile trucks and automobile wagons for their own use.

Mr. GREEN of Iowa. And then the gentleman reduces the tax on accessories by one-half.

Mr. McLAUGHLIN of Michigan. Yes; but that is another item.

Mr. GARNER of Texas. How much is the loss on accessories and tires?

Mr. McLAUGHLIN of Michigan. My proposition is to reduce the tax on accessories, parts, repairs, and so forth, from 5 per cent to 2½ per cent. The amount collected under that item last year was \$40,875,000. One-half would be a reduction of \$20,437,500.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. GARNER of Texas. Mr. Chairman, I ask unanimous consent that he may have five minutes more.

The CHAIRMAN. Is there objection?

Mr. DYER. Mr. Chairman, reserving the right to object, I would inquire of the gentleman who is in charge of the committee how long he expects to run this evening? I think this a very important matter.

Mr. GREEN of Iowa. We expect to get through with the automobile taxes.

Mr. DYER. I think the Members generally ought to have an opportunity to discuss these items. The Ways and Means Committee spent a great deal of time upon them. I think we ought to have an opportunity to discuss them and not have the matter jammed through simply after conferring with the chairman of the committee and the ranking member on the other side.

Mr. GREEN of Iowa. Oh, the conference has been with the whole committee.

Mr. DYER. This is one of the largest industries in the country and involves a great deal of important matter and discussion. I do not think we ought to continue at this hour.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. DYER. I object.

Mr. GARNER of Texas. Mr. Chairman, I ask for recognition.

Mr. DYER. I withdraw my objection, Mr. Chairman.

The CHAIRMAN. Without objection, the gentleman from Michigan will proceed for five minutes.

There was no objection.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. GARNER of Texas. Let me ask the gentleman from Michigan, so that the committee may understand the situation. Apparently the House desires to consider the question of the reduction of taxes on autotricks and parts. If I understand the gentleman from Michigan, he has conferred with his colleague [Mr. CLANCY], also with the gentleman from Iowa [Mr. GREEN], and with other members of the Committee on Ways and Means. It seems to be the unanimous agreement among these gentlemen, as well as the manufacturers of these automobiles and their representatives, that we adopt the gentleman's amendment, which will reduce the tax on trucks and wagons on a basis of \$1,000 and under, and to cut the tax on tires and accessories in half, which will reduce the revenue about \$23,000,000. Is that correct?

Mr. McLAUGHLIN of Michigan. That is correct.

Mr. GARNER of Texas. If that is agreeable to the committee, we could avoid a great deal of delay and debate if we would adopt this amendment and go on home. The idea has been to get through with these things this afternoon so that we could start on something else to-morrow.

Mr. WINGO. But we are not going to have any session to-morrow.

Mr. GARNER of Texas. Oh, then we could start in on Thursday without having three or four hours' debate. If the agreement of the committee is that we can reduce these taxes by \$23,000,000, surely we can get through with this tax to-night. [Cries of "Vote!"]

Mr. KINDRED. Mr. Chairman, will the gentleman from Michigan yield?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. KINDRED. My district is very much interested in the automobile industry. I understand the gentleman will exempt truck chassis which sell for \$1,000 or under. A great many users of trucks buy the trucks without the chassis. Would they be exempted?

Mr. McLAUGHLIN of Michigan. We exempt trucks and wagons with chassis which sells for less than \$1,000.

Mr. KINDRED. Suppose the chassis is not sold and the truck is sold?

Mr. McLAUGHLIN of Michigan. Oh, there is always a chassis with a truck.

Mr. KINDRED. Some have a chassis on hand, but not the body.

Mr. McLAUGHLIN of Michigan. I think they might not get the exemption.

Mr. LONGWORTH. Mr. Chairman, will the gentleman from Michigan yield to me for the purpose of making a request for unanimous consent?

Mr. McLAUGHLIN of Michigan. Yes.

Mr. LONGWORTH. Mr. Chairman, I am impressed with what the gentleman from Texas [Mr. GARNER] has said. To-morrow we meet for memorial services of the late President and we will adjourn immediately after that. It seems to me that we can save a great deal of time if we are agreed on what we are going to do, and therefore I ask unanimous consent that the vote may be had upon this paragraph and all amendments thereto in 10 minutes.

The CHAIRMAN. The gentleman from Ohio asks unanimous consent that all debate upon the paragraph and all amendments thereto close in 10 minutes. Is there objection?

Mr. CLANCY. Mr. Chairman, I reserve the right to object with the understanding that I get an opportunity to speak for from three to five minutes. I am the man who made this agreement on this question.

Mr. DAVEY. Mr. Chairman, I have an amendment.

The CHAIRMAN. Is there objection?

Mr. DYER. Mr. Chairman, reserving the right to object, may I inquire of the gentleman from Iowa if this unanimous-consent request would include subparagraph (8)?

Mr. GREEN of Iowa. Yes; but if the gentleman cares about it, I should think the gentleman from Ohio [Mr. LONGWORTH] would be willing to omit that.

The CHAIRMAN. Is there objection?

Mr. DYER. I object.

The CHAIRMAN. Objection is heard.

Mr. CLANCY. Mr. Chairman, regular order!

The CHAIRMAN. The regular order is that the gentleman from Michigan [Mr. McLAUGHLIN] is recognized.

Mr. REED of New York. Mr. Chairman—

Mr. DENISON. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DENISON. I would like to know who has the floor and who is entitled to it?

The CHAIRMAN. The gentleman from Michigan [Mr. McLAUGHLIN] has two minutes remaining, if he cares to use them.

Mr. LONGWORTH. Mr. Chairman, will the gentleman yield to me?

Mr. McLAUGHLIN of Michigan. I yield to the gentleman from Ohio. I do not care to occupy the floor at all, except to answer questions.

Mr. LONGWORTH. Mr. Chairman, I ask unanimous consent that all debate on paragraphs 1, 2, and 3, and all amendments thereto, close at 6 o'clock.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I object.

Mr. CLANCY. Mr. Chairman, I think I could clarify the situation if I got the floor.

Mr. McLAUGHLIN of Michigan. I do not care to occupy the floor, except to answer questions.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on paragraphs 1, 2, and 3, and all amendments thereto, close at 6 o'clock.

Mr. DENISON. Mr. Chairman, I want to amend that motion by making it 6.30.

The CHAIRMAN. The gentleman from Iowa moves that all debate on subsections 1, 2, and 3, and all amendments thereto, close at 6 o'clock, and the gentleman from Illinois [Mr. DENISON] moves to amend that motion by making it 6.30.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I desire to be heard in opposition to the motion.

Mr. TILSON. It is not debatable.

Mr. O'CONNOR of Louisiana. I would like to have the Chair rule on it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois [Mr. DENISON] to the motion of the gentleman from Iowa.

The question was taken, and the amendment to the motion was rejected.

The CHAIRMAN. The question is on the motion of the gentleman from Iowa.

Mr. O'CONNOR of Louisiana. Mr. Chairman, I demand recognition for a moment. I put to the Chair a parliamentary inquiry, and the Chair absolutely ignored the inquiry I made. I believe I am entitled to that courtesy to be heard from the Chair and not some one of the mutual admiration society on the floor of this House. [Laughter.]

The CHAIRMAN. The Chair did not understand the gentleman from Louisiana when he addressed the Chair with a parliamentary inquiry.

Mr. O'CONNOR of Louisiana. I said enough to lead the Chair to believe to the contrary.

The CHAIRMAN. The gentleman will realize that in the existing confusion here it is sometimes difficult to understand exactly what the parliamentary situation is. Section 6 of Rule XXIII is as follows:

The committee may, by the vote of a majority of the Members present, at any time after the five minutes' debate has begun upon proposed amendments to any section or paragraph of a bill, close all debate upon such section or paragraph or, at its election, upon the pending amendments only (which motion shall be decided without debate); but this shall not preclude further amendment, to be decided by debate.

So that there is no further debate.

Mr. DAVEY. Mr. Chairman, I offer a further amendment to the motion that the debate close at 6.15.

The CHAIRMAN. The gentleman from Ohio moves an amendment to the motion of the gentleman from Iowa that the debate close at 6.15 on these three subsections. The question is on agreeing to the amendment of the gentleman from Ohio to the motion of the gentleman from Iowa [Mr. GREEN].

The question was taken, and the amendment to the motion was rejected.

The CHAIRMAN. The question now recurs on the motion of the gentleman from Iowa that all debate on the subsections named and all amendments thereto close at 6 o'clock.

The motion was agreed to.

Mr. McKEOWN. Mr. Chairman, I make the point of order that there is no quorum present.

Mr. CLANCY. Mr. Chairman—

Mr. DENISON. Mr. Chairman, I offer a substitute to the amendment of the gentleman from Michigan [Mr. McLAUGHLIN].

Mr. McKEOWN. I mean to make the point of no quorum.

Mr. CLANCY. Mr. Chairman, unless I get recognition pretty soon I will make the point of no quorum.

Mr. TILSON. I make the point of order, Mr. Chairman, that the point of order is dilatory, because it is evident that there is a quorum present.

The CHAIRMAN. The gentleman from Oklahoma [Mr. McKEOWN] makes the point of order that there is no quorum present. The Chair will count. [After counting.] One hundred and thirty-eight Members are present—a quorum.

Mr. DYER. Mr. Chairman, I move that the committee do now rise.

Mr. RAMSEYER. I make the point of order, Mr. Chairman, that the gentleman from Illinois has the floor and can not be taken off the floor by a motion to rise.

The CHAIRMAN. Yes. The gentleman from Illinois [Mr. DENISON] has the floor, and can not be taken off the floor by a motion that the committee rise. The Clerk will report the substitute offered by the gentleman from Illinois [Mr. DENISON].

The Clerk read as follows:

Amendment offered by Mr. DENISON as a substitute for the amendment offered by Mr. McLAUGHLIN of Michigan: Page 166, line 11, strike out all after line 11 down to and including line 24, and substitute in lieu thereof the following:

"(1) Automobiles (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), except tractors, 3 per cent of the amount by which the price for which they are sold or leased exceeds \$1,000 and does not exceed \$3,000;

"(2) Automobiles (including tires, inner tubes, parts, and accessories therefor, sold on or in connection therewith or with the sale thereof), except tractors, 5 per cent of the amount by which the price for which they are sold or leased exceeds \$3,000;

Mr. DENISON. Mr. Chairman, I have not consulted either the gentleman from Texas [Mr. GARNER] or anyone else about this amendment I have offered. I am simply presenting it to the committee for whatever it may be worth.

In effect this substitute strikes out of the bill the provision that levies a tax on automobile trucks and automobile wagons, and removes the tax entirely from those, and it also strikes out of the bill paragraph No. 3, the tax on automobile parts and accessories, and leaves the tax 3 per cent on the sale price of automobiles that are sold for between \$1,000 and \$3,000 and 5 per cent on automobiles the sale price of which is above \$3,000. If my amendment is adopted, all taxes would be removed from automobiles that sell for less than \$1,000.

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield there?

Mr. DENISON. Yes.

Mr. NEWTON of Minnesota. I wanted to get an idea from the gentleman as to how this affects the revenue.

Mr. DENISON. I have read the hearings carefully, and I get what information I have from the printed hearings. By eliminating paragraph 3 from the bill and repealing all taxes on automobile parts and accessories we would lose about \$40,000,000 a year in revenues. Eliminating the tax on automobile trucks and wagons would cost us about \$11,700,000 in revenues. By removing the taxes entirely from automobiles that sell for less than \$1,000 and by reducing the taxes to 3 per cent on automobiles that sell for more than \$1,000 and less than \$3,000 would cost us an indefinite amount of revenue. I have no estimate of the exact amount. The present tax on automobiles yields about \$92,000,000 in revenues. Possibly my amendment would reduce that amount by about one-fourth or one-fifth.

Mr. COOPER of Wisconsin. Will the gentleman read the language which he says will remove the tax on automobile parts?

Mr. DENISON. I strike it out of the bill entirely. My idea is this: I think the time has come when Congress ought to quit trying to run the Government on automobiles. I feel we ought to take all taxes off of trucks and automobile wagons; they are not luxuries any more; they are things which people have to have to make a living; they are used to carry children to and from schools, and they are used in businesses of different kinds; they are used on the farms, around the factories, and for transportation purposes, and it seems to me Congress ought to try to find some way of financing the Government otherwise than by pyramiding taxes on automobile trucks and automobile wagons, and on automobile parts and accessories.

Mr. GARNER of Texas and Mr. CLANCY rose.

Mr. DENISON. Mr. Chairman, I believe I have the floor.

Mr. GARNER of Texas. I thought the gentleman had yielded the floor.

Mr. DENISON. I had not intended to do so until my time was up. I think the most indefensible tax in this whole bill is the tax on trucks and automobiles and automobile parts.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, would it be in order to prefer a unanimous-consent request?

Mr. DENISON. Mr. Chairman, I would like to know who has the floor. The gentleman from Texas has occupied about half the time to-day and I would like to have five minutes.

Mr. NEWTON of Minnesota. This ought not to come out of the gentleman's time.

Mr. KNUTSON. The gentleman has been interrupted during almost all of his time, and the gentleman has two minutes of actual time left.

Mr. DENISON. Mr. Chairman, I started to say that if there is any justification at all for continuing the tax on automobiles when they are sold, I can not see any justification at all for longer imposing this tax on repair parts. [Applause.] And that part of this bill ought to be stricken out entirely, because Congress ought not to try to finance the Government on the people's necessities and misfortunes.

There are now 15,000,000 automobiles in use in this country and 4,500,000 of these are owned by farmers. Possibly three or four times that many persons are using them for pleasure or recreation or for business or professional purposes. When the country was at war it was all right to levy a heavy tax on that many people. But we ought not to do so now. If you will adopt my amendment you will remove a heavy tax burden from a great number of our people who are least able and ought not to longer have to bear it.

Mr. DYER. Mr. Chairman, I move that the committee do now rise.

The question was taken; and on a division (demanded by Mr. DYER) there were—ayes 44, noes 76.

Mr. DYER. Mr. Chairman, I ask for tellers.

Mr. CRISP. Mr. Chairman, I make the point of order that the motion is dilatory and is made for the purpose of cutting off debate and preventing the gentleman from Michigan [Mr. CLANCY] from debating the amendment. There is a question of honor involved in it, because an agreement was made with the gentleman.

Mr. CLANCY. I made an honorable agreement with you gentlemen.

The CHAIRMAN. Those in favor of ordering tellers will rise and stand until counted. [After counting.] A sufficient number have risen, and tellers are ordered.

The CHAIRMAN appointed as tellers Mr. DYER and Mr. CRISP.

Mr. LONGWORTH. Mr. Chairman, may I make a unanimous-consent request? I ask unanimous consent that notwithstanding the fact that a time limit has been fixed, the gentleman from Michigan [Mr. CLANCY] may be permitted to proceed for five minutes.

The CHAIRMAN. The gentleman from Ohio, during a division of the committee, asks unanimous consent that the gentleman from Michigan [Mr. CLANCY] may proceed for five minutes notwithstanding the time limit fixed. Is there objection?

Mr. YOUNG. Mr. Chairman, I object.

The CHAIRMAN. The gentleman from North Dakota objects. Mr. GARRETT of Tennessee. Mr. Chairman, is it in order to propound a parliamentary inquiry pending the vote?

The CHAIRMAN. The Chair is rather of opinion that a parliamentary inquiry would not be proper while the Members are passing through the tellers. The Chair has already ordered the tellers to take their places and the ayes to pass through. The ayes will pass between the tellers and be counted.

The committee again divided; and the tellers reported—ayes 22, noes 36.

So the motion was rejected.

Mr. OLDFIELD. Mr. Chairman, has all debate closed under this motion?

The CHAIRMAN. Under the motion the debate closed at 6 o'clock.

Mr. OLDFIELD. Mr. Chairman, I would like to ask unanimous consent to proceed for two minutes.

Mr. BEGG. I object.

Mr. MOORE of Virginia. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for two minutes. Is there objection?

Mr. BEGG. I object.

The CHAIRMAN. The Chair hears none.

Mr. OLDFIELD. Mr. Chairman—

The CHAIRMAN. The committee will be seated.

Mr. BEGG. Mr. Chairman, I objected twice to that unanimous-consent request.

The CHAIRMAN. That may be true, but the Chair did not hear it.

Mr. BEGG. I will submit it to the House.

Mr. OLDFIELD. I have the floor, Mr. Chairman.

Mr. BEGG. Mr. Chairman, I make the point of order—

The CHAIRMAN. If the gentleman from Ohio says that he was objecting, the Chair will put the request again.

Mr. BEGG. I will leave it to the House. I will not even say so.

The CHAIRMAN. The gentleman from Arkansas asks unanimous consent to proceed for two minutes. Is there objection?

Mr. BEGG. I object.

Mr. MOORE of Virginia. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MOORE of Virginia. I make this inquiry, Mr. Chairman. It was voted to close the debate at a certain time, but it was perfectly obvious that at least five minutes of that time was taken up in conversation between Members and the Chair. That being the case, does not the Chair think it is within the spirit of what the House intended that the debate should be extended at least five minutes? [Cries of "No!" "No!"]

The CHAIRMAN. The Chair will state the situation. The motion was stated very plainly that all debate on these three subsections close at a definite hour, namely, 6 o'clock. It was not 10 minutes or 15 minutes or any other time but a certain hour. That hour having arrived, under the Chair's construction of it, the time for debate has expired.

Mr. LAGUARDIA. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan [Mr. CLANCY] may proceed for five minutes.

Mr. FREE. I object.

Mr. GARRETT of Tennessee. Mr. Chairman, I ask unanimous consent that I may proceed, not upon the subject, for three minutes.

The CHAIRMAN. The gentleman from Tennessee asks unanimous consent to proceed for five minutes out of order. Is there objection?

Mr. YOUNG. I object.

Mr. BEGG. I object.

Mr. LONGWORTH. I hope no gentleman on this side of the aisle will object to the leader of the minority having time.

Mr. BEGG. I will reserve the right to object.

Mr. YOUNG. I withdraw the objection.

Mr. BEGG. I reserve the right to object.

Mr. YOUNG. Is it about this parliamentary situation?

Mr. GARRETT of Tennessee. It is.

Mr. YOUNG. Then I object.

Mr. CRISP. Mr. Chairman, a parliamentary inquiry. I voted in the affirmative to close debate at 6 o'clock. This is the day that motion was made; is it in order for me to enter a motion to reconsider the vote by which the committee closed debate at 6 o'clock?

The CHAIRMAN. Not in Committee of the Whole.

Mr. CLANCY. Mr. Chairman, a parliamentary inquiry. I made an honorable agreement with the dean of the Michigan delegation to give him credit for the battle I have carried on for the repeal of these taxes. The understanding was that I would be allowed a few minutes to back him up. This honorable agreement—

Mr. BEGG. Regular order, Mr. Chairman.

The CHAIRMAN. The regular order is asked.

Mr. CLANCY. All I wanted to do with the two minutes—

The CHAIRMAN. The question is on the substitute offered by the gentleman from Illinois [Mr. DENISON].

The question was taken, and the motion was not agreed to.

Mr. DAVEY. Mr. Chairman, I have an amendment.

Mr. GARRETT of Tennessee. Mr. Chairman, I move the committee do now rise.

The CHAIRMAN. The question is on the motion of the gentleman from Tennessee that the committee do now rise.

The question was taken; and on a division (demanded by Mr. LONGWORTH) there were—ayes 82, noes 58.

Mr. GREEN of Iowa. Tellers, Mr. Chairman.

Tellers were ordered, and the Chair appointed as tellers Mr. GREEN of Iowa and Mr. GARRETT of Tennessee.

The committee again divided; and the tellers reported that there were 86 ayes and 59 noes.

So the motion to rise was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 6715, the revenue bill, and had come to no resolution thereon.

DISPENSING WITH CALENDAR WEDNESDAY.

Mr. LONGWORTH. Mr. Speaker, I am not entirely convinced as to the order for the memorial to-morrow and whether it included dispensing with Calendar Wednesday. Therefore to make certain I ask unanimous consent that the business on Calendar Wednesday, to-morrow, may be dispensed with.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

HOUR OF MEETING ON THURSDAY NEXT.

Mr. GREEN of Iowa. Mr. Speaker, I ask unanimous consent that when the House adjourn to-morrow it adjourn to meet on Thursday at 11 o'clock a. m.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

Mr. GARNER of Texas. Reserving the right to object, I want to ask the gentleman from Iowa and the gentleman from Ohio when they hope to conclude the consideration of this bill?

Mr. GREEN of Iowa. On Friday.

Mr. GARNER of Texas. I would like to have some sort of an agreement, for we are entitled to have as much knowledge on this side as to when you are to conclude the consideration of it as you have. I do not ask any advantage, I am asking this for the purpose of keeping you from taking advantage.

Mr. LONGWORTH. I will say that the gentleman has not so much difficulty in keeping his colleagues here as we seem to have on this side.

Mr. GARNER of Texas. I agree that we are a little more loyal.

Mr. LONGWORTH. It is not a question of loyalty, but because you are tied up tighter.

Mr. GREEN of Iowa. I will agree that there shall be no vote taken before Friday.

Mr. GARNER of Texas. But do you expect to have a vote on Friday?

Mr. GREEN of Iowa. I hope so.

Mr. GARNER of Texas. With that statement, Mr. Speaker, I have no objection to meeting at 11 o'clock.

The SPEAKER. Is there objection?

There was no objection.

ENROLLED BILLS SIGNED.

Mr. ROSENBLOOM, from the Committee on Enrolled Bills, reported that they had examined and found truly enrolled bills and joint resolutions of the following titles, when the Speaker signed the same:

S. 2189. An act granting the consent of Congress to the State highway department of North Carolina to construct a bridge across the Pee Dee River in North Carolina between Anson and Richmond Counties;

H. R. 3198. An act to authorize the States of Alabama and Georgia, through their respective highway departments, to construct and maintain a bridge across the Chattahoochee River at or near Eufaula, Ala., connecting Barbour County, Ala., and Quitman County, Ga.;

S. J. Res. 83. Joint resolution for the appointment of one member of the Board of Managers of the National Home for Disabled Volunteer Soldiers; and

S. J. Res. 84. Joint resolution making appropriation for contingent expenses of the United States Senate, fiscal year 1924.

THE IMMIGRATION BILL.

Mr. KIESS. Mr. Speaker, I present a privileged resolution from the Committee on Printing.

The Clerk read as follows:

House Resolution 185.

Resolved, That in accordance with paragraph 3 of section 1 of the printing act approved March 1, 1907, the Committee on Immigration and Naturalization of the House of Representatives be, and is hereby, authorized and empowered to have printed 600 additional copies of the hearings before said committee of the Sixty-eighth Congress, first session, on bills relating to restriction of immigration.

The resolution was agreed to.

ADJOURNMENT.

Mr. GREEN of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 15 minutes p. m.) the House adjourned until to-morrow, Wednesday, February 27, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

378. A communication from the President of the United States, transmitting a communication from the Secretary of the Treasury and the Acting Director of the Bureau of the Budget, submitting a claim of the Powell Grocery Co., Asheville, N. C., against the United States, for damages caused by the negligence of an employee of the Public Health Service in the sum of \$201.25, which requires an appropriation for its payment (H. Doc. No. 206); to the Committee on Appropriations and ordered to be printed.

379. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Glencove Creek, N. Y. (H. Doc. No. 207); to the Committee on Rivers and Harbors and ordered to be printed, with illustrations.

380. A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation, "that the Secretary of War be, and he is hereby, authorized and directed to transfer to the Treasury Department for quarantine purposes that portion of La Costa Island, Fla., occupied by the Treasury Department as a quarantine station under revocable license from the War Department dated January 27, 1903"; to the Committee on Military Affairs.

381. A letter from the Secretary of War, transmitting a draft of proposed legislation "for the relief of the Keene Chemical Co."; to the Committee on Claims.

382. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Fortescue Creek, N. J.; to the Committee on Rivers and Harbors.

383. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Tillamook River, Oreg.; to the Committee on Rivers and Harbors.

384. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Frankfort Harbor, Mich. (H. Doc. No. 208); to the Committee on Rivers and Harbors and ordered to be printed, with illustration.

385. A letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, report on preliminary examination of Delaware River from Trenton, N. J., to Easton, Pa.; to the Committee on Rivers and Harbors.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS.

Under clause 2 of Rule XIII,

Mr. JOST: Committee on the District of Columbia. H. R. 3689. A bill to amend the insurance laws of the District of Columbia; with amendments (Rept. No. 231). Referred to the Committee of the Whole House on the state of the Union.

Mr. KELLY: Committee on the Post Office and Post Roads. H. R. 6352. A bill to authorize the Postmaster General to fix the fees chargeable for registration of mail matter, and for other purposes; with amendments (Rept. No. 232). Referred to the Committee of the Whole House on the state of the Union.

Mr. ROBSON: Committee on Pensions. H. R. 5934. A bill to pension soldiers and sailors of the war with Spain, the Philippine insurrection, or the China relief expedition; without amendment (Rept. No. 233). Referred to the Committee of the Whole House on the state of the Union.

Mr. PERLMAN: Committee on the Judiciary. H. R. 3318. A bill to provide for the appointment of two additional judges of the District Court of the United States for the Southern District of New York; without amendment (Rept. No. 234). Referred to the Committee of the Whole House on the state of the Union.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. WEFALD: A bill (H. R. 7297) to authorize the acquisition of a site and the erection of a Federal building at Thief River Falls, Minn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7298) to authorize the acquisition of a site and the erection of a Federal building at Detroit, Minn.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7299) to authorize the acquisition of a site and the erection of a Federal building at Hallock, Minn.; to the Committee on Public Buildings and Grounds.

By Mr. BUCKLEY: A bill (H. R. 7300) for the purchase of a post-office site and the erection thereon of a suitable building at Maywood, Ill.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7301) for the purchase of a site and the erection thereon of a public building at Oak Park, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. SEARS of Florida: A bill (H. R. 7302) to authorize the establishment of a Coast Guard station on the coast of Florida at or in the vicinity of Lake Worth Inlet; to the Committee on Interstate and Foreign Commerce.

By Mr. FULLER: A bill (H. R. 7303) to increase pensions of persons who served in the Army, Navy, or Marine Corps of the United States during the Civil War, and of widows and former widows of such persons, and Army nurses of said war; to the Committee on Invalid Pensions.

By Mr. LINEBERGER: A bill (H. R. 7304) to amend paragraph (c) of section 2 of the act approved May 26, 1922, and known as the narcotic drugs import and export act, and for other purposes; to the Committee on Ways and Means.

By Mr. SABATH: A bill (H. R. 7305) to purchase a site west of the Chicago River for the erection of a post-office building and to erect a post-office building thereon in the city of Chicago, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. KUNZ: A bill (H. R. 7306) to purchase a site west of the Chicago River for the erection of a post-office building and to erect a post-office building thereon in the city of Chicago, Ill.; to the Committee on Public Buildings and Grounds.

By Mr. WINSLOW: A bill (H. R. 7307) to impose civil liability under certain circumstances upon owners of motor vehicles operated in the Canal Zone; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 7308) to provide for the method of measurement of vessels using the Panama Canal; to the Committee on Interstate and Foreign Commerce.

By Mr. MOREHEAD: A bill (H. R. 7309) to provide for the acquisition of a site and the erection of a Federal building at Pawnee City, Nebr.; to the Committee on Public Buildings and Grounds.

By Mr. FULMER: A bill (H. R. 7310) to prevent bucketing and illegal practices in bucket shops and exchanges in buying and selling stocks, bonds, debentures, cotton, corn, wheat, etc., to be known as United States antibucketing act; to the Committee on the Judiciary.

By Mr. FENN: A bill (H. R. 7311) for the registration of motor vehicles; to the Committee on Ways and Means.

By Mr. LANGLEY: A bill (H. R. 7312) to increase the pensions of those who have lost limbs or have been totally disabled in the same in the military or naval service of the United States; to the Committee on Invalid Pensions.

By Mr. BULWINKLE: A bill (H. R. 7313) to authorize the acquisition of a site and the erection thereon of a Federal building at Lincoln, N. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7314) to authorize the acquisition of a site and the erection thereon of a Federal building at Kings Mountain, N. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7315) to authorize the acquisition of a site and the erection thereon of a Federal building at Newton, N. C.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7316) to authorize the acquisition of a site and the erection thereon of a Federal building at Morganton, N. C.; to the Committee on Public Buildings and Grounds.

By Mr. HARRISON: A bill (H. R. 7317) to provide for the erection of a post-office building at Woodstock, Va.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7318) to provide for the erection of a post-office building at Luray, Va.; to the Committee on Public Buildings and Grounds.

By Mr. FAIRFIELD: A bill (H. R. 7319) to amend the organic act of the Philippine Islands, approved August 29, 1916; to the Committee on Insular Affairs.

By Mr. JOHNSON of South Dakota: A bill (H. R. 7320) to amend the acts entitled "The war risk insurance act," "An act to establish a Veterans' Bureau," and "The vocational training act"; to the Committee on World War Veterans' Legislation.

By Mr. BECK: A bill (H. R. 7321) to incorporate the United States Agricultural Cooperative Marketing Association, to provide for a national cooperative marketing system, and for other purposes; to the Committee on Agriculture.

By Mr. STALKER: A bill (H. R. 7322) to enlarge and extend the post-office building at Ithaca, N. Y.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7323) to authorize the enlargement, extension, and remodeling of the Federal building at Elmira, N. Y.; to the Committee on Public Buildings and Grounds.

By Mr. McKEOWN: A bill (H. R. 7324) to carry into effect the twelfth article of the treaty between the United States and the Loyal Shawnee and Loyal Absentee Shawnee Tribes of Indians proclaimed October 14, 1868; to the Committee on Indian Affairs.

By Mr. ANDREW: Concurrent resolution (H. Con. Res. 13) recommending that appropriate durable crosses, giving the same general effect as the wooden crosses, be designed and prepared for the graves in the American military cemeteries overseas, and that the present crosses be retained in those cemeteries until such crosses can be provided and erected; to the Committee on Military Affairs.

By Mr. ROSENBLOOM: Resolution (H. Res. 195) providing for an assistant clerk to the Committee on Enrolled Bills; to the Committee on Accounts.

By Mr. LITTLE: Resolution (H. Res. 196) offering a reward of \$500, to be paid out of the contingent funds of the House of Representatives, for the arrest and conviction of the party who struck Mrs. Carrie Harris by automobile as she was getting off a street car on the morning of February 26, 1924; to the Committee on Accounts.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. COOK: A bill (H. R. 7325) granting a pension to Louisa Pennisten; to the Committee on Invalid Pensions.

By Mr. COOPER of Ohio: A bill (H. R. 7326) granting a pension to Lillian Ramsdell; to the Committee on Invalid Pensions.

By Mr. DOWELL: A bill (H. R. 7327) granting a pension to Elizabeth Couch; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7328) granting a pension to Polly Garbison; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7329) granting a pension to Edith Vore; to the Committee on Invalid Pensions.

By Mr. DOYLE: A bill (H. R. 7330) granting an increase of pension to Michael Quinlan; to the Committee on Pensions.

By Mr. FAUST: A bill (H. R. 7331) granting a pension to Herman Mantler; to the Committee on Pensions.

By Mr. GIBSON: A bill (H. R. 7332) granting a pension to Augusta M. Moseley; to the Committee on Invalid Pensions.

By Mr. GLATFELTER: A bill (H. R. 7333) granting a pension to Lizzie Krebs; to the Committee on Invalid Pensions.

By Mr. HOWARD of Oklahoma: A bill (H. R. 7334) for the relief of Carl Puckett; to the Committee on Indian Affairs.

By Mr. HUDSPETH: A bill (H. R. 7335) granting a pension to Lemuel Gunter; to the Committee on Pensions.

By Mr. JOHNSON of Kentucky: A bill (H. R. 7336) granting a pension to James Self; to the Committee on Invalid Pensions.

By Mr. KNUTSON: A bill (H. R. 7337) granting a pension to Reka Butts; to the Committee on Invalid Pensions.

By Mr. LEAVITT: A bill (H. R. 7338) authorizing the Secretary of War to donate to the city of Great Falls, Mont., two German cannons or fieldpieces; to the Committee on Military Affairs.

By Mr. LEE of Georgia: A bill (H. R. 7339) granting an increase of pension to Charles S. Kinman; to the Committee on Pensions.

By Mr. LITTLE: A bill (H. R. 7340) for the relief of Charles W. Peppers; to the Committee on Claims.

By Mr. LONGWORTH: A bill (H. R. 7341) granting a pension to Harrett Schell; to the Committee on Pensions.

By Mr. MacGREGOR: A bill (H. R. 7342) granting a pension to Dorothy D. Grabenstatter; to the Committee on Pensions.

By Mr. MAGEE of Pennsylvania: A bill (H. R. 7343) for the relief of Charles Spanik; to the Committee on Claims.

By Mr. OLDFIELD: A bill (H. R. 7344) to authorize the National Society United States Daughters of 1812 to place a bronze tablet on the Francis Scott Key Bridge; to the Committee on the Library.

By Mr. PERLMAN: A bill (H. R. 7345) for the relief of Edward C. Roser; to the Committee on Claims.

By Mr. ROACH: A bill (H. R. 7346) granting a pension to Elizabeth Busick; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 7347) granting a pension to Delnora Duell; to the Committee on Invalid Pensions.

By Mr. SULLIVAN: A bill (H. R. 7348) granting an increase of pension to John M. Gartrell; to the Committee on Pensions.

By Mr. VARE: A bill (H. R. 7349) to award a medal of honor to Capt. Jacques M. Swaab; to the Committee on Military Affairs.

By Mr. WILLIAMS of Texas: A bill (H. R. 7350) for the relief of J. H. Wallace; to the Committee on Claims.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1359. By Mr. ALDRICH: Protest of What Cheer Lodge, No. 183, I. O. B. S., of Providence, R. I., against passage of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1360. By Mr. ANDREW: Petition of Eliot School Alumni Association, of Boston, Mass., protesting against passage of Johnson immigration bill; to the Committee on Immigration and Naturalization.

1361. Also, petition of Sisterhood and the Men's Club of the Congregation Beth Hamadrash Hagadol, Crawford Street, Roxbury, Mass., protesting against passage of Johnson immigration bill; to the Committee on Immigration and Naturalization.

1362. By Mr. ARNOLD: Petition of sundry citizens of Wabash County, Ill., favoring a repeal of the war tax on motor vehicles and repair parts, etc.; to the Committee on Ways and Means.

1363. By Mr. BLOOM: Petition of John J. Boylan, secretary New York Letter Carriers' Association, of New York, N. Y., indorsing Edge-Kelly bill; to the Committee on the Post Office and Post Roads.

1364. By Mr. COOPER of Wisconsin: Petition of the University Cabinet of the National University in the city of Manila, P. I., favoring the passage of joint resolution introduced in the House of Representatives by Mr. Cooper of Wisconsin, entitled "Joint resolution to enable the people of the Philippine Islands to form a constitution and national government, and to provide for the recognition of their independence"; to the Committee on Insular Affairs.

1365. By Mr. CRAMTON: Petition of Constance Bement, librarian, and other employees of the public library at Port Huron, Mich., urging passage of the Edge-Kelly bill (H. R. 4123), a bill providing for an increase and readjustment of the salaries of post-office employees; to the Committee on the Post Office and Post Roads.

1366. Also, petition of Mrs. Austa M. Cox, State chairman of conservation, Michigan State Federation of Women's Clubs, Ann Arbor, Mich., on behalf of her organization, urging passage of the bill to establish a national wild life refuge on the upper Mississippi River; to the Committee on Agriculture.

1367. Also, petition of J. F. Powley and other residents of Deckerville, Mich., urging more stringent restrictions of immigration; to the Committee on Immigration and Naturalization.

1368. Also, petition of D. C. McLean and other residents of Deckerville, Mich., in behalf of more stringent restriction of immigration; to the Committee on Immigration and Naturalization.

1369. By Mr. FENN: Petition to accompany House bill 7311, for the registration of motor vehicles; to the Committee on Ways and Means.

1370. By Mr. FULLER: Petition of the Commercial Travelers' Mutual Accident Association of America, favoring reduction of drop-letter postage to 1 cent, increase of second-class rates, and legislation requiring each class of mail to pay cost of service; to the Committee on the Post Office and Post Roads.

1371. By Mr. GALLIVAN: Petition of Amshey Dowig Lodge, No. 354, I. O. B. A., Boston, Mass., protesting against Johnson immigration bill; to the Committee on Immigration and Naturalization.

1372. Also, petition of Joseph Middleby, jr. (Inc.), Boston, Mass., recommending early and favorable consideration of House bill 5552, which provides salary increases for postal employees; to the Committee on the Post Office and Post Roads.

1373. Also, petition of the Fish Rubber Co., Chicopee Falls, Mass., recommending repeal of subdivision 3, section 900, Title IX, of the revenue act of 1921, imposing a tax of 5 per cent on tires, inner tubes, etc.; to the Committee on Ways and Means.

1374. By Mr. GARBER: Resolution of the Rock Island Mechanical Foremen's Association, of Shawnee, Okla., condemning any effort to amend or modify or restrict the Esch-Cummings law; to the Committee on Interstate and Foreign Commerce.

1375. Also, petition from citizens of Cimarron County, Okla., for removal or reduction of nuisance and war taxes; to the Committee on Ways and Means.

1376. Also, petition of the Oklahoma Wheat Growers' Association of Enid, Okla., protesting against the McNary-Haugen bill; to the Committee on Agriculture.

1377. By the SPEAKER: Petition of 159 citizens of the town of Easthampton, Mass., favoring the passage of the adjusted compensation bill; to the Committee on Ways and Means.

1378. By Mr. KIESS: Petition of citizens of Jersey Shore, Pa., favoring House bill 2702 and Senate bill 742, proposing that all strictly military supplies be manufactured in Government-owned navy yards and arsenals and providing

for the stabilizing of production and employment in Government industrial establishments by the use of these plants for the manufacture of articles required by other departments of the Government; to the Committee on Naval Affairs.

1379. By Mr. MACGREGOR: Petition of the Montemaggiorese Republican Club, of Buffalo, N. Y., protesting against the passage of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1380. By Mr. MORROW: Petition of Gallup Board of Education, Gallup, N. Mex., favoring the enactment of a Federal child labor law; to the Committee on the Judiciary.

1381. Also, petition of citizens of Las Cruces, N. Mex., favoring the reduction of the tax on industrial alcohol; to the Committee on Ways and Means.

1382. Also, petition of Gallup Board of Education, Gallup, N. Mex., favoring the limitation of the manufacture and distribution of habit-forming drugs; to the Committee on Interstate and Foreign Commerce.

1383. By Mr. NEWTON of Minnesota: Petition of Mr. Henry Johnstone and other citizens of Minneapolis, Minn., urging the Congress to enact into law legislation similar to that embraced in the Brookhart-Hull bill, requiring that all strictly military supplies be manufactured in Government-owned navy yards and arsenals, etc.; to the Committee on Naval Affairs.

1384. By Mr. O'CONNELL of Rhode Island: Petition of residents of Rhode Island, requesting repeal of motor-vehicle taxes; to the Committee on Ways and Means.

1385. By Mr. O'SULLIVAN: Petition of Naugatuck, Conn., Post 17, the American Legion, in favor of adjusted compensation measure; to the Committee on Ways and Means.

1386. By Mr. PATTERSON: Petition of 13 residents of Camden County, N. J., for repeal of war-excite taxes, including those on motor vehicles; to the Committee on Ways and Means.

1387. By Mr. ROBINSON of Iowa: Petition of employees of the Chicago, Rock Island & Pacific Railroad, Waterloo, Iowa, favoring the transportation act and asking that it be allowed to function without interference until it is proven that it is not a good piece of legislation; to the Committee on Interstate and Foreign Commerce.

1388. By Mr. SINCLAIR: Petition of Mississippi Division, Farm Labor Union of America, favoring the enactment of the Norris-Sinclair marketing bill; to the Committee on Agriculture.

1389. Also, petition of Mr. Henry W. Gill, deputy collector in charge of customs, and 11 others in Government service at Portal, N. Dak., in favor of a bill to abolish the personnel classification board and transfer its functions to the Civil Service Commission; to the Committee on the Civil Service.

1390. Also, petition of 68 residents of Crosby, N. Dak., and vicinity, in favor of the Norris-Sinclair marketing bill; to the Committee on Agriculture.

SENATE.

WEDNESDAY, February 27, 1924.

The Senate met at 11.45 o'clock a. m.

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we bless Thee for every day given unto us and for all of the privileges it may confer upon us. Help us to understand much more clearly the privilege of service and how we can best honor Thee and serve our country. Hear us as we anticipate further services in connection with a sad ceremony of thought and of serious contemplation. The Lord, our God, lead us always, through Christ Jesus. Amen.

The reading clerk proceeded to read the Journal of yesterday's proceedings, when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL.

Mr. LODGE. Mr. President, I make the point of no quorum. The PRESIDENT pro tempore. The Secretary will call the roll.

The reading clerk called the roll, and the following Senators answered to their names:

Adams	Capper	Dill	Frazier
Ball	Colt	Edge	George
Bayard	Copeland	Edwards	Gerry
Brandeggee	Couzens	Elkins	Gooding
Brookhart	Cummins	Ernst	Hale
Broussard	Curtis	Ferris	Harris
Bruce	Dale	Fess	Harrison
Cameron	Dial	Fletcher	Heflin

Howell	McNary	Ransdell	Stephens
Johnson, Minn.	Mayfield	Reed, Pa.	Swanson
Jones, N. Mex.	Moses	Robinson	Trammell
Jones, Wash.	Neely	Sheppard	Walsh, Mont.
Kendrick	Norbeck	Shipstead	Warren
Keyes	Norris	Shortridge	Watson
Ladd	Oddie	Simmons	Weller
La Follette	Overman	Smith	Wheeler
Lenroot	Pepper	Smoot	Willis
Lodge	Philpps	Spencer	
McKellar	Pittman	Stanfield	
McKinley	Ralston	Stanley	

The PRESIDENT pro tempore. Seventy-seven Senators having answered to their names, there is a quorum present.

MEMORIAL ADDRESS ON THE LATE PRESIDENT HARDING.

Mr. LODGE. Mr. President, in order to fulfill the terms of the concurrent resolution adopted by the Senate and the House by attending the ceremonies about to take place in memory of the late President Harding, I move, before we proceed to the Hall of the House, that the Senate adjourn.

The motion was agreed to; and the Senate (at 11.55 o'clock a. m.) adjourned until to-morrow, Thursday, February 28, 1924, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES.

WEDNESDAY, February 27, 1924.

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Heavenly Father, hallowed be Thy name, lift upon us all the light of Thy holy countenance; establish Thou the work of our hands, the work of our hands establish Thou it. Through Christ. Amen.

MEMORIAL OF WARREN GAMALIEL HARDING.

The SPEAKER. The Clerk will read the resolution governing our action to-day.

The Clerk read as follows:

Concurrent Resolution 9.

Be it resolved by the House of Representatives (the Senate concurring), That the two Houses of Congress shall assemble in the Hall of the House of Representatives on the day and hour fixed by the joint committee, to wit, Wednesday, February 27, 1924, at 12 o'clock meridian, and that in the presence of the two Houses there assembled an address upon the life and character of Warren G. Harding, late President of the United States, be pronounced by Hon. Charles E. Hughes, and that the President pro tempore of the Senate and the Speaker of the House of Representatives be requested to invite the President and the two ex-Presidents of the United States, the former Vice President, the heads of the several departments, the judges of the Supreme Court, the ambassadors and ministers of foreign governments, the governors of the several States, the General of the Armies, and the Chief of Naval Operations to be present on that occasion; and be it further

Resolved, That the President of the United States be requested to transmit a copy of these resolutions to Mrs. Harding and to assure her of the profound sympathy of the two Houses of Congress for her deep personal affliction and of their sincere condolence for the late national bereavement.

The following was the official program of arrangements prepared by the joint committee of the two Houses:

MEMORIAL SERVICES FOR WARREN G. HARDING, FEBRUARY 27, 1924.

PROGRAM OF ARRANGEMENTS.

The Capitol will be closed on the morning of the 27th day of February, 1924, to all except Members and officers of Congress.

At half past 10 o'clock the east door leading to the rotunda will be opened to those to whom invitations have been extended under the joint resolution of Congress by the Presiding Officers of the two Houses, and to those holding tickets of admission to the galleries.

The Hall of the House of Representatives will be opened for the admission of those who have invitations, who will be conducted to the seats assigned to them, as follows:

The President of the United States and his Cabinet will occupy seats in front of and on the left of the Speaker.

The Chief Justice and Associate Justices of the Supreme Court will occupy seats in front of and on the right of the Speaker.

The General of the Armies and the Chief of Naval Operations will occupy seats back of the President and his Cabinet, on the left of the Speaker.

The ambassadors and ministers of foreign governments will occupy seats on the left of the Speaker in section A west.